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NOTES FOR AN ADDRESS

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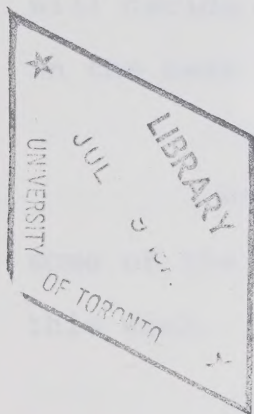
THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

BUILDING AND CONSTRUCTION TRADES DEPARTMENT

AFL - CIO



CHATEAU LAURIER

OTTAWA, ONTARIO

JULY 13, 1977

10:30 A.M. EDT

This meeting marks the first time that the principal American officers of the Building and Construction Trades Department and the Canadian officers have held an international convention in this country. I am happy to come here today because it gives me the opportunity to pay a tribute to the thousands of building tradesmen and construction workers who have made such a great contribution to the building of Canada.

I welcome you on behalf of the Prime Minister and my colleagues in the government, and hope that you will decide to convene another meeting in this country in the near future.

As Minister of Labour I am well aware of some of the problems which you will be discussing here this week.

I know that you are concerned about jobs. This is also a concern of the government of Canada and all Canadians. In May the unemployment rate in

Canada was 7.9 per cent; this is an unacceptably high level of unemployment.

Among all the industrial countries, Canada was probably the most vulnerable to the slowdown in economic activity of the last two to three years. Canada must absorb the highest proportion of new workers into our labour market. In recent years we have absorbed the largest percentage increase and the largest absolute increase of new workers of any of the industrial countries.

Despite the current situation, and I believe it is a temporary situation, there is a positive side to this large influx of new workers. It is the workers -- together with the great natural resources, the energy, and the capital investment that have been available -- who have built this country. Canada is fortunate to have had a constant and growing flow of trained and skilled workers into the job market. But we must create the jobs for these new workers. We can create these jobs by working together, and I will speak about this in a moment.

Employment in construction reached a peak of 742,000 last year, but the number of construction workers who have been unable to find steady work has unfortunately increased. In the early months of this year about one out of every 10 unemployed workers was a building tradesman or construction worker.

The situation in the United States is slightly better. The unemployment rate of 6.9 per cent in May was the lowest in 30 months. This compares with 8 per cent in November of last year.

In the United States, the economy has shown definite signs of new vigour. Housing starts in the first quarter of this year were up 7 per cent over the first quarter of 1976. Nonresidential construction appears to have slowed down, but the moderate, widely-based improvement in the economy will encourage new investment. The unemployment rate for workers in the construction industry was down to 12 per cent in April from 15 per cent a year earlier. There is substantial room for improvement, but the numbers employed in construction have increased by 200,000 since April 1976.

There are also some encouraging indications of economic recovery in Canada. At an annual rate, the real Gross National Product (that is, GNP deflated for price changes) increased in the first three months by 5.4 per cent. If this rate of growth were to continue through the year, it would exceed all expectations.

It should be remembered, however, that much of the gain so far this year can be attributed to unusual circumstances which will probably bring liabilities as well as benefits. The Canadian dollar has declined in value in terms of the U.S. dollar, and this depreciation has helped make Canadian exports more competitive. But it will also make imports, including food, more expensive at the retail level. While the export sector has been stronger, we will also have to pay increased interest rates on foreign currency debt.

This convention will also be concerned about the continuing problem of inflation. Our recent experiences with inflation, and the necessity of

imposing extraordinary but temporary control measures in October 1975, have caused all of us to make a more realistic appraisal of our situation.

Over the last nine or 10 years, Canadians have experienced a remarkable increase in real incomes. Some years these increases have averaged as much as five per cent. They were higher than in any other major industrial country, and they were twice the average annual increase in productivity per employed worker.

To a considerable extent, Canada's position in the late Sixties and early Seventies was the result of a number of factors which were particularly favourable to this country, but which probably won't exist to the same extent in the future. We benefitted from a large improvement in external terms of trade. The average world prices of the things we sell increased by more than the prices of the things we buy. We were a net exporter of energy for most of this period. And we experienced

a remarkable increase in employment that was greater than the increase in total population, with some families having two, three or more pay cheques.

We could not expect all of these favourable conditions to persist. Much of our prosperity has been financed abroad, and we now recognize that there is a limit to our borrowing from the rest of the world to support current consumption standards. We have become a net importer of oil and we could soon be in a net import position for our total energy requirements. The rate of increase of the labour force will slow down in the next decade, and this in turn will reduce our potential rates of real economic growth. In other words, the relatively rapid increase in average real incomes we have experienced in recent years is not likely to be sustained in the future.

I have mentioned the controls program which the government introduced in October, 1975. While the controls have been totally rejected by the labour movement, and remembering that we adopted controls reluctantly, I believe that in the light of history

it will be recognized that the program was needed, the program dealt fairly for the most part between wages and prices, and the program worked.

It is worth emphasizing that the controls program has dealt fairly with wages. While controls have had a moderating effect on the increase of wages and salaries, the dampening impact of controls on prices has brought about a significant gain in real incomes.

In the first year of the program, average wage rates went up by more than 10 per cent. At the same time the consumer price index increased by less than $6\frac{1}{2}$ per cent. A decline in the rate of increase in food prices and unusually low profit margins in 1976 combined to permit increases in real wages in the range of $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. These gains compare with the approximate 2 per cent gain in annual productivity per worker. In the year before controls, most workers were falling behind in terms of real income.

The labour share of national income reached an all-time high of 73.2 per cent in the first year of the control program, with a peak of 75.7 per cent in the last quarter of 1976. Labour's share has since dropped back to 74.9 per cent in the first quarter of this year. The long run movement in the labour share continues to climb from about 65 per cent in the mid-Fifties.

But as we all know, shares of national income in the short term are closely related to stages in the business cycle. An unusually large share going to labour means that investors and farmers have been receiving relatively smaller shares. Corporate profits have declined not only in their share of national income but in their actual level as well. This should be a matter of concern for workers, and the labour movement, since the ultimate decision for job creation lies primarily with the business sector, where profits have traditionally been the major source of investment funds.

Another problem which will concern this convention is the need to maintain a competitive position in our markets. In some of our industrial markets -- domestic and foreign -- Canada has recently become uncompetitive. While this fact may not be of immediate concern to the building trades, eventually we must all be worried and try to do something constructive about it.

Canada's competitive position, like that of the United States or any other country, depends on a number of factors. It depends on the expertise, including management and skilled labour, that is available, the cost of transportation, the cost of energy, wage levels, the technology that is applied, the efficiency with which all the factors are put together, and so on. Canadian workers have enjoyed one of the highest standards of living, and Canada has been one of the most profitable countries in which to invest, because of a favourable blend of all these factors.

But in some of these factors, there's recently been a serious slippage. Our transportation costs are among the highest in the world. This is one of the realities of a large country with a relatively small population. We enjoyed some distinct advantages in energy costs when we were in a net export position, but we will soon be paying world prices for oil in order to stimulate the search for new energy sources. Investors have lacked the incentive to invest, and some of our technology has fallen behind. Wage settlements have been significantly higher on average in Canada than in the United States since 1972, and in the manufacturing sector these differences have been greater than for all industries.

As a result of these wage increases over the last five or six years, Canadian hourly rates in many manufacturing industries now exceed those in the United States. In manufacturing, unit labour costs in Canada are also higher. An economy which depends, as the Canadian economy does, on foreign trade, cannot afford such a luxury.

There is no hiding the fact that thousands of jobs have been lost in the manufacturing sector because the combination of cost factors no longer favours this country.

The solution for turning this situation around will not be easy. It will be found in a continuing reduction in the rate of inflation in order to protect present jobs and create new ones. It will be found, in part, by improving the climate for investment so that Canadian industry can be as efficient as any in the world. And it will be found by seeking new approaches for working together.

It is quite obvious, to me at least, that the building trades and the construction industry have an important role to play in keeping Canada competitive. I think there has been a tendency to consider that any expense that could be passed along was not really an expense at all. It's quite possible that construction costs -- including unearned profits in land speculation, and contract bids and collective agreements that were aimed at getting the job done

regardless of the expense -- indicate that sometimes we lose touch with reality.

The government has a major responsibility in keeping the country competitive. The government must first ensure a climate in which the private sector will expand with confidence and create new jobs. The recent budgets of the federal governments -- and I believe the budgets of the provincial governments have the same purpose -- have been aimed at maintaining the growth of demand and moderating the severity of the recession. More lately, we have attempted to provide additional incentives for investment in the private sector.

While governments can and do influence the general economic framework, most Canadians want the preponderance of economic decisions to take place in the private sector. The controls on prices and incomes which were introduced a year and a half ago were a necessary, but a temporary, intervention in decision-making processes. The legislation establishing

controls requires that the guidelines will be ended by December 31, 1978, but there are compelling reasons why controls should be discontinued sooner.

As a government, we have been meeting with the leadership of the Canadian Labour Congress and business and industry executives with a view to moving into a decontrol process during the next year or so. The labour movement, and some industry executives, have been pressing us to get out of controls immediately, but it would be totally irresponsible for us to end the anti-inflation measures abruptly unless voluntary restraint were likely to take their place. The anti-inflation measures deserve a good deal of the credit for helping to reduce the inflationary expectations of Canadians. The average Canadian no longer expects wages and prices to rise at double-digit rates. But the achievement of lower rates of price increases, and the scaling down of wage demands, were not brought about by government alone. They happened because the majority of Canadians -- the majority of workers, the majority of employers -- got behind the wage

and price control program and made it work. I believe that this same spirit of shared responsibility is the element which we must foster as we move forward into the decontrol period.

In order to encourage the development of shared responsibility, the government has been intensifying its consultations not only with the provincial governments, but also with representatives of labour and management. Indeed we have had more consultative meetings in the past year than any recent year in my memory.

We believe the time has now come to take a further step forward. We are proposing that discussions proceed as quickly as possible toward the establishment of a new and broader consultative forum. Your interests are represented in these discussions by the Canadian Labour Congress.

A body consisting of more than 30 but less than 50 individuals has been proposed as appropriate

to reflect the views of the principal interest groups as well as providing for regional representation. In addition to business and labour, this multipartite body would represent farmers, fishermen, co-operatives, consumers, and possibly others. I anticipate the forum would meet three or four times a year, and while it would have no decision-making powers with respect to government policies or programs, it would certainly influence policies and programs in both the public and private sectors.

In addition to the multipartite body, we want to establish a number of tripartite bodies with representatives of labour and management, together with government, which would deal with industrial relations matters. Considerable progress has already been made on the criteria for a collective bargaining information centre which would be directed by a tripartite board, and we are moving forward on the formulation of a national safety and health institute and a quality of working life centre. Each of these centres would be directed by a tripartite board.

I anticipate that these tripartite bodies will eventually make a considerable impact on the industrial relations practice of Canada.

In addition to the consultative forum, and the related tripartite bodies, we are contemplating the establishment of an agency which would monitor economic developments from the perspective of their potential impact on cost and price movements. Such an agency would be to see that governments, business and labour retain a lively sense of the harm that inflation can cause to the economy, and the implications of their own economic decisions and actions.

In all of this the government continues its support of free institutions, including the institution of collective bargaining. Under the wage and price control legislation, the collective bargaining system has been restrained but it continues alive and well. I believe it is still the best system for determining wages and benefits in a free society, and in consultation with the labour movement

and employers I want to do everything I can to make it work more effectively and with fewer costs to the economy.

The proposals for a multipartite forum, and for tripartite bodies including the collective bargaining information centre, the national safety and health institute and the quality of working life centre, are now matters of public discussion and debate. I hope that the Canadian section of the Building Trades Department will join in this discussion and give me the benefit of their experience and advice.

It is only by working together that we can maintain a high level of growth, compete effectively and pay our way in the world, provide jobs for a growing work force, and protect the freedoms of our way of life.

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THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

ANNUAL CONVENTION

OF THE

CANADIAN COUNCIL OF SHEET METAL WORKERS

CHATEAU LAURIER HOTEL

OTTAWA, ONTARIO

JULY 16, 1977

9:00 A.M. EDT



Today I would like to speak to you about some of the programs which the government is bringing forward, but which require the support and participation of workers and trade unions, and employers, if they are to do the important job they are meant to do.

Some of my audience today are Americans. I hope the Americans will forgive me, or at least bear with me, when I suggest to you that Canada is probably the most free country in the world.

Canadians have rejected a system in which all or most decisions would be made by public authorities. We depend on private citizens to mobilize capital and make investment decisions. Citizens are free to join the trade union of their choice, or not to join if they don't want to. The state has played a significant role in supporting and influencing the process of economic development, but for the most part we rely on the decisions of individuals and private organizations. To an extent you probably wouldn't find in any other country, there is less pressure to conform, more scope for doing your own thing.

Although we support a mixed economy where the preponderance of decisions are taken by individuals and groups in the private sector, we expect government to ensure a climate within which the private sector will expand with confidence, produce the goods and services we need and create the jobs for a growing labour force.

Governments have the responsibility for coming up with good policy, but all the policy in the world is meaningless in a democratic society unless there is a willingness in the private sector to participate in the development and implementation of that policy.

One area where the government and private institutions and individuals share responsibility for economic performance is the field of labour-management relations. Government sets the legal and institutional framework within which employees and employers function. Government has the job of keeping the framework up to date. Government can

provide support services. But it is the responsibility of labour and management, of employees and employers themselves to ensure that the system works.

During the last three or four years, public confidence in the labour relations system has been eroded in this country. You have seen the evidence. The public has expressed disapproval of the high incidence of strikes and lockouts; the public is not proud of Canada's reputation for being the "bad guy" in strikes and lockouts among all the western countries. Even when agreements have been completed without a work stoppage, some have appeared to ignore economic realities, leading to a loss of job opportunities and employment.

You have seen the decline in respect for our labour relations system from a personal perspective. I think you will recognize that labour and management have contributed to undermining the free collective bargaining system by pushing the adversary element of the relationship to the limit. All too frequently the trade union membership goes to the barricades and hurls insults at management, and management heaps scorn on the trade union leadership while calling

them "irresponsible". When the parties finally come to a settlement, they must endure hardship for months attempting to recover lost jobs and markets.

Canadians enjoy the benefit of the world's most advanced technology in many of our industries, but at the level of the individual job some employees frequently see their work environment as overly authoritarian, too often unsafe and unhealthy, and insufficiently rewarding.

Many employees react to an unsatisfactory work environment with declining morale, absenteeism and high turnover rates. Some employers on the other hand complain that it's difficult to find employees who are willing to put in a day's work, and others are openly critical of trade unions as a negative factor in attaining good productivity.

I am responding, together with my officials in Labour Canada, with a number of programs which are aimed at emphasizing the positive aspects of our labour relations system, and finding new approaches

for getting rid of the negative aspects. But once again, let me emphasize that these new approaches have to be worked out in consultation with workers, trade unions and employers, and in some cases with the provinces. No matter how inspired these or other approaches might be, they won't work unless the parties accept them and become part of the solution.

I would like to emphasize that I am not contemplating drastic changes in our labour relations system. The system we have is a good system, but it's not perfect. If there is a major change that needs to be made, it is a change in attitudes. There is a need, I believe, for a change of attitude in a number of areas.

First, we have to stop and take stock of the role and aspirations of the individual worker, what the individual worker is prepared to give to the job and what he or she expects of the job.

Canada's great strength, as I mentioned a few moments ago, lies in our freedoms. We must not lose sight of these freedoms, and the desire and need for individual workers to retain their self-respect and dignity, on the job.

Like most of the western industrialized countries, Canada has a better-educated, a better-trained, a more sophisticated workforce than at any time in our history. It is not surprising that the new generation is questioning some of our assumptions about work and work relationships. I don't agree with those who say the work ethic is dead, that workers are looking for ways of goofing off and living only for the week-end. I would agree that our better-educated workforce wants to avoid dumb jobs, dirty jobs and dangerous jobs. We must also give more serious consideration to new ideas for alternative lifestyles which may involve shared work, flexible hours, more frequent jobs and career changes, more access for women to management and executive jobs, and greater scope for accommodating leisure time activities.

Second, I would like to witness a more open and generous attitude toward the labour movement of this country. While I have been Minister of Labour, I have encountered great hostility in some quarters toward trade unions. I have also has the opportunity of visiting a number of the leading industrial countries where the trade union is accepted as an equal partner with management in production. In all of these countries without exception, the incidence of labour strife is considerably lower than in Canada and in most of them -- and they are all democratic countries -- labour strife is the exception rather than the rule. Furthermore, all of these countries consistently maintain a superior economic performance. All of these countries -- West Germany, Sweden, Switzerland, Israel, the United States -- have a strong trade union movement.

Third, I would like to witness a considerable change in attitude toward the need for profit in our mixed economic system. Few countries enjoy such a strong basis as Canada for the achievement of our

commonly-held economic goals -- a high level in the production of goods and services we produce and the incomes we earn; a fair sharing of incomes; the ability to compete and pay our way in the world; the creation of jobs for a growing work force; and the ability to share our good fortune with others in the world.

A basic assumption underlying our economic and social goals is the belief that the potential of Canada can best be realized through the efficient functioning of the market system. The market system works -- for workers, for management, for investors -- when there is a fair share for everybody. Workers and management seek the jobs where their skills will be best rewarded and where they can fulfill themselves. Investors invest their capital where it will be safe and bring a fair return.

I have found that the leadership of the trade union movement recognizes the need for a fair return on investment. But we have to do more, in our

education system, in the media and elsewhere, to impress this economic truth on everyone.

I will mention only a few of the proposals and programs the government is now bringing forward -- and I want this to be done in full consultation with the labour movement and employers -- to improve the whole work scene. Essentially they are aimed at improving the collective bargaining process for organized workers, establishing a better deal for unorganized workers, and making our enterprises of every kind and size more efficient, more productive, and better places in which to work and invest.

First, there are measures for improving the work environment. Many of these initiatives are long overdue and I am appealing to you to help me bring them into force.

A national occupational safety and health centre. This centre would involve the co-operation of the federal and provincial governments which already are doing considerable good work in occupational

safety and health, but we need to co-ordinate our efforts without at the same time establishing a big new bureaucracy. The centre would work closely with the workplace. It would be responsive to workers' and employers' needs. It would eventually recommend national standards and codes of practice. I want to see this centre in place before the end of this year.

A national quality of working life centre.

This centre is to be a multipartite body bringing together the creative minds of labour, management, the universities and community colleges. Its purpose is to find new approaches that will help humanize the workplace and eventually give workers a greater voice in how the workplace is run.

A better deal for Canada's unorganized workers.

I want to bring forward some legislative amendments which have been drafted, to give unorganized workers the right to refuse unsafe work and give them protection against unjust and arbitrary dismissal. Unorganized

workers should also have many of the rights organized workers take for granted under their collective agreements -- such as bereavement leave, job security while on sick leave and maternity leave, and improved paid vacations.

Paid educational leave for workers. There is a growing acceptance of the need for education as a life-long benefit, but there are many workers who are tied to their job by personal and family responsibilities and cannot afford to take time off and upgrade their skills. I am now inquiring into the feasibility of paid sabbaticals for workers which would give them a second chance -- a second chance to take advanced courses in a formal educational setting, a second chance for a promotion or a new career. I am looking to the labour movement and employers to make proposals on who should be eligible and how paid leave could be financed without placing a worrisome burden on the employer or the taxpayer.

The second area of concern is to find new approaches for improving the collective bargaining system. Our recent experience with heavy production losses due to work stoppages, the delays in processing certification applications, and the delays in negotiating collective agreements and processing grievances demand some new approaches to the way we are now conducting ourselves.

The promotion of broader-based bargaining. Broader-based bargaining has improved dramatically the collective bargaining process in the railway industry, by eliminating the sequential work stoppages that once plagued the industry. Progress could also be made in the airline industry and the grain handling industry, where a work stoppage by any one of several employment groups could shut down the entire system. Once again, we need the compliance of the workers, the trade unions and the employers to put new arrangements into operation.

Amendments to Part V of the Canada Labour Code. There are many housekeeping amendments that could help make the collective bargaining machinery work more smoothly -- appointing additional vice chairmen of the Canada Labour Relations Board to help speed up the handling of cases; providing for interim certifications and the imposition of a first collective agreement by the board, where deemed necessary; enabling unions to regroup for the purpose of certification; and appointing additional arbitrators.

The third area of concern is to find new approaches for improving the structure and operation of the labour relations system, so we can make it more efficient and less prone to breakdown.

Greater education opportunities for trade union leaders and technicians. The government recently entered into an agreement with the Canadian Labour Congress under which the government will give the CLC \$2 million a year for each of two years, for the purpose of financing the training of trade union

professionals and technicians. I expect that similar agreements, on a pro rata basis, will be made with other trade union groupings in the near future.

I believe that this program will go a long way toward redressing the considerable imbalance that exists in our educational system where so much attention is given to the training of management personnel, and practically nothing to the training of trade union leadership.

Legislated safety and health committees.

Safety and health committees at the plant level would involve workers in an important aspect of their working environment. They would also serve as a testing forum for extending worker participation into other production areas.

A collective bargaining information centre.

Both labour and management have expressed their dissatisfaction with the information which is available for bargaining purposes. They suspect the information as having a pro-labour or pro-management bias. This

centre would co-ordinate information, and make requests for information from established agencies. It would produce data for bargaining purposes which would be adequate, timely, reliable and acceptable. I want to move ahead on the establishment of this centre as soon as the labour movement and the principal employers give me the green light.

A multi-partite consultative forum. Discussions have been held on a number of occasions this year on the establishment of a national forum which would bring together representatives of labour and business, but also farmers, fishermen, the co-operatives and possibly consumers. It would consist of possibly 30 people, possibly as many as 50 but no more, who would meet three or four times a year and advise the government on major social and economic questions. It would have no decision-making powers, but it would obviously be in a position to influence the government and Parliamentarians. It would also provide a sort of consultative umbrella under which the tripartite centres (the national occupational safety and health

institute, the quality of working life centre, the collective bargaining information centre) could operate.

I think you will agree that these and other initiatives which I do not want to take the time today to mention, constitute an ambitious package of improvements to the labour relations system. My officials have consulted with the provinces, and will continue to do so in the light of their major responsibilities in labour affairs. I have had preliminary meetings with executive committee members of the Canadian Labour Congress, and I want to intensify these meetings as soon as possible.

I am happy to have this opportunity to expose some of the proposals to your convention, and I hope that you will give me the benefit of your experience and advice in putting them into operation.

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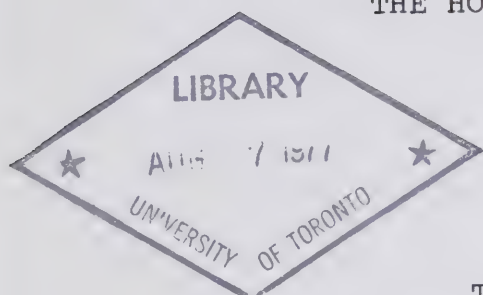
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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.



MINISTER OF LABOUR

ON

THE TRADE UNION MOVEMENT --

A PARTNER IN CANADA

TO

THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS

(AFL-CIO-CLC)

HYATT REGENCY HOTEL

VANCOUVER, B.C.

THURSDAY, AUGUST 11, 1977

9:30 A.M. PDT

I would like to express my appreciation to you, President Buoy, for your kind invitation to address this great international convention. On behalf of the Prime Minister and my colleagues in government, I bring greetings to all of you and a special welcome to the delegates from the United States.

This convention is being held at a time when Canadians are being exhorted to strengthen the bonds of national unity. For more than 110 years people have come here from all over the world to build a new home and live in peace and freedom. Together we have built a great country. We have built a free country, a country of great opportunity and fulfillment. Few countries offer in such abundance the means for achieving our national and personal goals.

I am happy to assert that the trade union movement has been a positive force in our pursuit of national unity. It recognizes the two great cultures, English and French, on which our country was founded.

The trade union movement is dedicated to workers' rights, regardless of race, colour, creed, or region of Canada. It fights for its legitimate goals through the democratic process. It fights for justice, equality and freedom for its members and for unorganized workers alike.

Canadians who are not members of a trade union would do well to learn from your example. In every union hall where I have visited as Minister of Labour, I have been impressed by your commitment to unity. You fly your union banner and you show the flag. Your banners read, *Solidarity forever. All for one and one for all. The union makes us strong.* Canadians looking for national unity, Canadians seeking national purpose and greatness, should remember that. *Union makes us strong.*

Today I would like to place a challenge before the Canadian delegates to this convention -- and through you, to all members of the trade union movement in Canada -- it's a challenge which could bring new meaning and purpose to the trade union movement. It could also help keep Canada together

as a great country. *The challenge is simply this:*
I want the trade union movement to accept its rightful
place as a partner in Canada.

Perhaps you are sceptical about my motives when I invite the trade union movement to claim its place as a partner in Canada. Naturally you want to know who the other partners will be, and the terms and conditions of the partnership.

First, let me assure you that I am not asking you to compromise one iota of your commitment to the trade union movement. I am not trying to co-opt your trade union, or any trade union. I know I couldn't even if I tried.

But I do ask you to consider entering some form of social partnership which would be appropriate to Canadian circumstances and acceptable to the free trade union movement which exists in this country. The other partners would be industry and business, together with government.

Labour, business and government -- we are the social partners who have the responsibility for making our economy work, and work better for all Canadians.

Perhaps there should be other partners -- for example, farmers and fishermen -- but the partnership, any partnership, won't work unless it has the trade unions and the workers.

A social partnership is not a novel idea, but I believe it's an idea whose time has arrived.

In principle, it's an idea which has the blessing of the Canadian Labour Congress. Many of you were delegates to the CLC Convention at Quebec City last year. That convention adopted a manifesto which declared that the labour movement must be recognized as a participant in a national consultative forum which would speak out on the important social and economic issues of this country.

I believe you will agree with me that the CLC manifesto was a significant statement of trade union policy. It established a new direction. The manifesto declared, in effect, that Canadian trade unions can no longer rely solely on the collective agreement to protect the interests of their members. The manifesto urged trade unions to look beyond the bargaining table. In future they would have to join with other trade unions at the national level and make sure that their voice is heard in the deliberation of policies bearing on inflation, unemployment, manpower training, capital investment, regional economic development and other job-related issues.

I endorsed the manifesto in principle the moment it was read to me on the telephone. I didn't need to buy every word of it, but I supported the direction in which it promised to lead the trade union movement in this country. As far as I am concerned, this is the only logical and sensible direction in which we can go.

In the last two or three years, I have visited many of the western industrial countries and I have tried to keep up-to-date on their economic situation. In all of the countries which have consistently maintained a good or better-than-average economic performance, there is a strong free trade union movement. In all of the top performers, the trade union movement is accepted, along with business and government, as an equal partner in national economic affairs. I believe the trade union movement enjoys this recognition in the United States, but it has never been accepted as an equal partner in Canada.

The kind of national economic and social partnership I want you to join would have these rules: Labour is free and independent. Labour is accepted. Labour is consulted. Labour gets a fair return in wages and benefits. And labour is prepared to accept its share of responsibility, along with business and government, for the economy.

We have, in recent months, laid the groundwork for such a national economic partnership. In the last year or two, there have been more consultations between government and the labour movement and business and industry than at any time in our history. Your union has been represented in these consultations by the CLC.

Ten days ago the Prime Minister laid out a proposal -- to business and labour -- on a joint undertaking for getting out of wage and price controls earlier than the statutory termination date of December 31, 1978.

The government went into the controls program reluctantly. We adopted controls as a necessary, but only temporary, intervention in the market and in collective bargaining. We want to get out of the program as soon as possible.

The proposal of the Prime Minister contained three elements. First, we want labour and business to become partners in a multipartite consultative forum

which will meet four times a year along with government and possibly consumer interests and farmer representatives.

Second, we want labour and business to sit on a national monitoring agency which would examine and report on price and wage changes. It would have no regulatory power, but it would blow the whistle when it considered that a particular wage or price increase was out of line with what the economy could afford.

Third, we want labour and business to commit themselves to exercise voluntary restraint in the period following the removal of the mandatory restraint program.

Both the Canadian Labour Congress and the Business Council on National Issues asked for time to consult with their affiliates and constituents before indicating their acceptance or rejection of the Prime Minister's proposal.

As we prepare to move out of the controls program, I would like to take this opportunity for setting the record straight on the question of whether or not controls were fair to workers.

It's not factual to take the position that the wage and price controls program was only a wage control program, or that the program was fought on the backs of the workers.

In the first year of the controls program, average wages reviewed by the Anti-Inflation Board increased between 10 and 11 per cent. Prices increased by about 6.5 per cent over the first year. The average gain in real earnings, that is, earnings after eliminating the inflation factor, was between three and four per cent in the first year. That's a significant increase.

Labour's share of national income reached a peak of 75.7 per cent in the last quarter of 1976 -- at the end of the first year under controls. In the first quarter of 1977, labour's share was 74.9 per cent of national income -- just slightly off last year's peak. The long run movement in the

labour share continues to climb from approximately 65 per cent in the mid-fifties.

It is quite obvious that an unusually high share going to labour means that relatively less has been going to business and other sectors.

The business sector relies on profits to provide investment funds and create new jobs. Since the prime responsibility for job creation lies with business, a decline in the share of national income going to profits has a direct impact on our competitive situation, job security and unemployment levels.

Besides the fight against inflation, we are all concerned about the current unacceptable level of unemployment. Unemployment, at a rate of 8 per cent in June, is a source of severe frustration for individuals looking for a job, as well as creating serious stress in the community.

The government has the responsibility for bringing in sound policies for dealing with inflation and unemployment, and keeping our economy competitive with those of our trading partners. But government can't fight inflation, bring down unemployment, and create the jobs for a growing work force on its own. We need a sense of shared responsibility on the part of all Canadians, and particularly on the part of labour and business.

Finally, I would like to tell you about another set of programs which will require the voluntary participation of labour and business if we are to achieve our desired social and economic goals.

The goals I am thinking about are those which are supported by the vast majority of Canadians -- a high level of economic activity and sustained growth in the amount of goods and services we produce; the fair sharing of income; the ability to compete effectively and pay our way in the world; the creation

of jobs for a growing work force; and the ability to assist those who can't work.

The programs I am referring to are a package of 14 programs for improving the work environment, helping collective bargaining to work better, and improving the whole labour relations system.

I won't have time today to tell you in any detail about these programs, but I would like to mention a few of them.

First, we want to bring in some *amendments to the Canada Labour Code* which will result in a *greater measure of justice in the work place*. These reforms will be of particular benefit to unorganized workers, but I am counting on the support of the trade union movement when the amendments are presented to Parliament later this year. They will give unorganized workers that sense of dignity which is imparted to trade union members by their collective agreement.

These reforms will include extending to all workers the right to up to *three days'* paid bereavement leave in the event of a death in the immediate family. Another amendment will protect workers from dismissal who are absent for a period of up to 12 weeks because of sickness or injury. Another provision will prevent the dismissal of a pregnant employee who has less than 12 months' service. The vacation clause of the Code will be improved to entitle workers to *three weeks'* paid vacation after six years of service, and *two additional holidays with pay* will be granted. The prompt and regular payment of wages is to be reinforced. And we will be giving for the first time on a national basis unorganized workers as well as the organized the right to refuse work if he or she believes it to be unsafe or unhealthy and we will give workers the right of appeal against a dismissal they feel was unjust.

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I believe that these amendments will go a long way toward establishing a greater measure of justice on the job.

Second, a number of the programs we now have in hand are intended to improve the work environment, increase job satisfaction, and make the job safer.

We intend to establish, in collaboration with the provincial governments and with the participation of labour and business on a tripartite board, a *national occupational safety and health centre*. It will be a centre for researching and developing improved safety standards and procedures, and providing technical services and advice to employers, trade unions and governments. Occupational safety and health is being given top priority in the 14-point program.

We are establishing a *national quality of working life centre*, which will encourage worker participation in decision-making and publicize experiments for humanizing work. I am looking to the trade union movement, and individual workers, to come forward with innovative proposals for study by this centre, which will be directed by a tripartite board.

We are investigating the potential for *paid educational leave for workers*. This is a proposal which was adopted as a convention of the International Labour Organization in 1974 and endorsed by the Canadian Labour Congress last year. Officials of my department are studying the feasibility of paid sabbaticals for workers in Canadian industry, and I hope to be able to give you a report on its possible implementation at an early date.

We are also studying the availability and benefit levels of *private pensions* in Canada. An interdepartmental task force is expected to report this year, and we will then have better information for assessing demands for pension improvements.

Third, other programs we are bringing forward are intended to improve collective bargaining.

The federal government recognizes the collective bargaining system as part of our democratic way of life. It's the best system that's been devised

for regulating worker and employer demands, but it's not perfect. We want to make it work better, with fewer breakdowns.

Our proposed measures include: working toward *broader-based bargaining* in some of our high-profile and sensitive national services, including the airline industry and the grain-handling industry.

Amendments to Part V of the Canada Labour Code, with a view to granting *interim certifications* and *imposition of first agreements*, where necessary; giving more powers to the Canada Labour Relations Board so that *the board can enforce decisions* in such areas as unfair labour practices and illegal strikes and lockouts; and imposing on unions a duty to give *fair representation* to their members.

We also want to *improve federal conciliation, mediation and arbitration services* through recruitment and training.

And fourth, we want to improve the whole labour relations system by undermining our over-commitment to the adversarial approach and moving toward a system based on co-operation.

I believe I am on strong ground when I suggest that such a new approach is supported by the labour movement. That was the message implicit in the CLC manifesto. We may disagree about the specific proposals of the manifesto, but we certainly welcome the CLC's avowed willingness to enter into tripartite relationships with business and government for dealing with national economic and social issues. The same willingness on the part of both labour and management to see the other fellow's point of view, and to approach collective bargaining on the basis of reality, would be a step in the right direction.

The initiatives I am proposing to encourage the development of a more stable and co-operative relationship, and a more productive economy, are these:

A program of *trade union leadership education*. On behalf of the federal government, I recently signed an agreement with Mr. Joe Morris, who signed on behalf of the Canadian Labour Congress. Under the agreement, the government will give the CLC \$2 million a year for each of five years for the purpose of training trade union leaders and potential leaders, and trade union technicians. I believe that the industrial relations system can work better if it has the trained and experienced trade union representatives who are needed at the bargaining table and on the shop floor. This program is intended to increase the number of trained labour representatives. Additional grants, on a pro rata basis, may be made available to other trade union groupings.

Legislation to provide for the establishment of *safety and health committees at the plant level*. These committees will allow workers to participate with management in making the workplace safer.

Establishment of a *collective bargaining information centre* under a tripartite board. Such a centre, which I hope will be in operation by the end of this year or early next year, would provide the parties to collective bargaining with data they could accept as being unbiased. This would save much of the time which is now wasted in argument over conflicting information presented by management and trade union negotiating committees.

In conclusion, let me emphasize that these, and other programs I have not taken the time to mention, can improve the collective bargaining system, and can bring a new sense of dignity to unorganized workers, only if we have the voluntary participation of labour and management. I believe the programs deserve your vote of confidence.

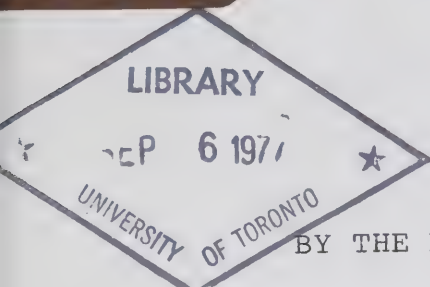
Canadians want to live in a country where the vast majority of decisions take place in the private sector. That's the only way we can keep our freedom and our prosperity. I am confident that

I can count on the support of the International Brotherhood of Boilermakers and all of the trade union movement in establishing these programs and making them work.

Mr. President, I wish you and your delegates a productive convention.

CAIL
-S 77

INFORMATION



NOTES FOR AN ADDRESS

BY THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE ANNUAL LABOUR DAY MEETING

OF THE KIWANIS CLUB OF TORONTO

"WORKING TOWARD A BETTER WAY...TOGETHER"

WEDNESDAY, AUGUST 31, 1977

ONTARIO ROOM, ROYAL YORK HOTEL

TORONTO, ONTARIO

12 NOON

First let me say how much I appreciate your kind invitation to address this annual labour day meeting of the Kiwanis Club of Toronto. Your organization is one which I have admired for a number of years, and I know that your good works are playing no small part in furthering understanding and tolerance in this city.

Indeed, Kiwanis, with its world-wide membership of nearly 300,000, has since its inception 62 years ago been spreading the message of social responsibility and tolerance of other people's opinions. May I commend you for your efforts past and present, and express the hope that they will be equally beneficial in the future.

Today we are all aware of the many pressures that challenge individuals, organizations, and governments alike. Nobody is untouched or left uninvolved by the questions of national unity, of language and educational rights of the economy and the related subjects of inflation, unemployment, controls, de-controls, and the whole industrial relations scene.

While the question of national unity is front

and centre, the problems of industrial relations also claim our attention. It is this particular topic, of how we relate and interact with each other in the world of work, which I would like to discuss with you today.

I know that you, as business and professional men, need no convincing that in order to develop the productivity and the competitiveness that are essential to profitable enterprise there must be improvements in our industrial relationships in general, and in our process of collective bargaining in particular.

Prior to the advent of controls nearly two years ago--and I'll return to this subject a little later--our industrial relations system was showing signs of decay. The country faced an unacceptably high rate of mandays lost through work stoppage. Many tentative settlements were being rejected by union memberships. Some Canadians were questioning the viability of the entire process of collective bargaining.

So while the imposition of wage and price controls set limits on collective bargaining, it did not

destroy the process. It also gave us a breathing space during which we can examine the whole industrial relations system, and come forward with some changes, and I hope, some improvements.

At the same time the controls were introduced, I announced some new initiatives, together with officials of my department, which were designed to improve the structure of labour relations, and the climate in which they take place. These are practical and results-oriented proposals that re-affirm the government's commitment to, and faith in, the collective bargaining process.

I am sure that you will be aware of some of these new initiatives so I won't go into them in great detail. Basically they are in three groupings.

The first are aimed at improving the work environment. We need to remove from the bargaining arena as many contentious issues as possible that have to do with working conditions such as health and safety. Frequently, when we examine the origins of labour-management disputes we discover that while the immediate issue may be pay,

there's an underlying malaise such as job dissatisfaction, boredom, and unresolved grievances. These and other environmental factors can have a substantial effect on the atmosphere for collective bargaining, day-to-day attitudes, and productivity. The first set of initiatives concentrates on the provision of "environment improvers": a national occupational health and safety centre; a national quality of work life centre; updated standards for pension rights and benefits; and a number of other proposals generally supportive of a more harmonious work place.

It's encouraging to note that a number of Canadian companies are now engaged in various experiments designed to enhance this elusive "quality of working life". I anticipate that our planned QWL centre will play an important catalytic and informational role in this area of industrial democracy.

With the occupational health centre the government recognizes the need to research and develop improved safety measures and standards, testing potentially damaging materials and processes; providing technical services and advice to

employers, unions and governments - and eventually producing a national safety code.

I might say that the development aspect of both these proposed centres is advancing very satisfactorily.

The next set of initiatives aims to improve the process of collective bargaining by strengthening the legal framework; by providing enhanced conciliation, mediation and arbitration services; and by encouraging, in certain industries, moves toward industry--bargaining so as to reduce the potential for those damaging sequential shut-downs we're all familiar with. I believe that such moves could be taken in the airline and grain-handling industries.

Improvements in the legal framework will take the form of wide-ranging amendments to the Canada Labour Code to be introduced at the next session of parliament in the form of a major omnibus bill.

The final group of initiatives is intended to improve the structure and operation of the industrial relations system - and, most importantly, to foster a sense of joint responsibility in making it work better. I'll

return to this in a moment. Among these initiatives are a proposed collective bargaining information centre to provide reliable and pertinent data on wages and fringe benefits and the economy--a centre which could be in operation by early next year; and a national consultative forum in which business, labour, government and other involved groups can meet together and hopefully attain some consensus on matters of economic concern. I intend to continue our negotiations with labour and business with a view to establishing this forum as soon as possible. I am convinced that this is the direction Canada must follow if we are to achieve a greater measure of labour peace and improved productivity.

All of which brings us almost up-to-date in our chronology of recent events in labour affairs. What we have been witnessing is a strained industrial relations system that has been propped up by government but which still has the confidence of the prime players.

We've also witnessed, and been disappointed by the rejection by the Canadian Labour Congress of proposals

for voluntary restraint as a necessary successor to the controls program. The business community indicated a willingness to go along with the government's proposals, but we also needed labour's compliance. In the absence of agreement on voluntary restraint the government intends to keep the controls in force. We would be abdicating our responsibility if we lifted the controls without insisting on safeguards to protect against another epidemic of inflation.

But the real issue here is not the controls program. Nor is it the timing and circumstance of post-controls. Rather the issue is how we bridge the two. This brings into focus the whole spectrum of our relationships one with another, our responsibilities, our objectives, and our attitudes.

We have to face up to the options that are available to us, and we have to make a selection. In my opinion, our options with regard to industrial relations are these:

- * we continue under the adversary system based on confrontation and mutual distrust, with no tripartite consensus on post-control

responsibilities; or

- * we face the prospect of greater government intervention in labour-management relations in order to protect the economy; or

- * we accept the reality of a new era in labour affairs that demands new attitudes and a more realistic sharing of responsibilities by government, labour and business.

In my opinion these are the only options, and the only option we can choose is the one which requires us to adopt new attitudes and our share of responsibility for the performance of the economy. The problems facing industrial relations today won't be solved by the old attitudes and the old approaches.

Co-operation, goodwill, trust; these are the vital ingredients that must replace confrontation and lack of trust. We quite literally cannot afford to let industrial relations slide from one confrontation to another, from one crisis to the next.

I mentioned earlier the growing importance of industrial democracy - an importance that has gained greater recognition, and action, abroad than it has here in Canada.

The success of a Mercedes Benz plant in the United Kingdom has raised some interesting questions about the so-called "English disease". According to the German management team at the plant, it's more likely management that's the problem with British industry because British workers are just as efficient as their counterparts, when given the same opportunity. In this particular case, the opportunity is an environment which injects as much democracy, and humanization, into the workplace as possible.

So despite the economic malaise around them, the Mercedes firm is making itself an enviable reputation and a desirable balance sheet.

Frankly I think it's lamentable that more Canadian companies haven't yet faced the fact that improvements in the workplace are vital for a better industrial relationship. To quote one of America's top industrial psychologists, Dr. Michael Macoby, too much conservatism can be dangerous to

a company's survival in a world of international competition.

I feel it's high time that Canadian managers accept the legitimacy of an enhanced industrial democracy and set about implementing improvements in their own work places. Personally I will be only too happy to provide guidance, case histories, whatever help my Department can offer.

Today we exist in a complex, interdependent society, in an environment which demands co-operation from all of us.

We have to co-operate, we have to trust each other at all levels. It is common sense. It is good business. It is to our mutual advantage. It is vital if we're to progress socially, and economically.

There must be greater acceptance of trade unions as legitimate and necessary partners in the enterprise. The present lack of recognition only serves as an irritant to an already strained relationship.

Labour and management must take a hard new look at their relationship, and their responsibilities. The options are there, and the decision must be taken on how we

proceed. If the adversary element continues to frustrate the industrial relationship there'll be no winner, only losers. As I have indicated, government must provide the leadership and, through parliament, fashion the rules and supply the programs.

I am confident that labour and management will accept this challenge and adopt that co-operative spirit.

FILE
-S 77

INFORMATION



NOTES FOR A MESSAGE

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO BE DELIVERED

ON LABOUR DAY AT THE CONSTRUCTION SITE

OF THE BASIC OXYGEN FURNACE,

STEEL COMPANY OF CANADA

NANTICOKE, ONTARIO

SEPTEMBER 5, 1977

8:00 P.M.



Today is Labour Day. It is a national holiday on which we can reflect on the contributions that working people and the labour movement in general have made to this country and to improving the life of every one of us. To many of you here who are building the huge plants on this site the things I say will seem self-evident.

Sadly, however, it is generally true that the labour movement has historically been misrepresented and misunderstood in Canada and that for many Canadians this continues to be so.

I am often reminded in this regard of the story of the young woman who took a vow of silence on entering a very strict religious order.

At the end of five years she was brought to the head of the order and allowed to speak two words as a reward for her excellent behaviour.

The young woman looked at her superior and said "Bed hard".

Another five years of silence passed and again she was rewarded with two words. This time she replied

"Food lousy".

Another five years went by and again she was permitted two words.

"I quit", she said.

"It's just as well," said her superior. "You've been here 15 years and all you have done is complain, complain, complain."

It seems to me that this is often the impression that people have of the union movement and the state of labour relations in Canada. It is an impression of friction, of highly charged demands, threats, charges and countercharges.

But what is often forgotten is that in between long and bitter labour disputes there are long periods in which employers and workers are quietly and conscientiously going about their business which is producing goods and providing services from which both parties and, indeed, all Canadians benefit. We forget that most industrial disputes are settled without lockouts and without strikes. There are troubled industries and areas of chronic concern which seem to have highly volatile industrial realtions but

these can be counted on a person's fingers.

What is also often overlooked is that in its history the labour movement has found more than its fair share of hard beds and lousy food. There has been more than ample reason and necessity for the development of trade unions.

From its earliest stirrings when craftsmen in Canadian cities banded together to improve their conditions the labour movement has had to fight even for the right to exist.

It has fought against conditions that today we would find unbelievable. It has fought for improvements that we accept today as commonplace. At the root of all its actions and activities is perhaps the basic fundamental of a democracy - the right of every person to self respect and dignity.

The labour movement has a long and firmly rooted democratic tradition. It is formed by men and women wanting to come together in an association for their common interests. Its ongoing effectiveness depends on the resources

and support of its membership. And unions remain today among the most democratic organizations in our society.

It is hard to believe now the difficulties and obstacles encountered by workers in their early attempts to organize. The history of trade union organization is full of examples of workers being fought tooth and nail in their attempts to organize and achieve a sense of control over their own lives.

There is behind the labour movement a legacy of heroism and bitterness, brought about by such incidents as the Toronto Printers Strike of 100 years ago and the Winnipeg general strike, to name two of the more well known of many such battles.

But it has also a legacy of achievement. There have been tremendous accomplishments in terms of working conditions and social legislation, brought about at the plant level and by various legislative actions due to union pressure. Things like public education, which was included in the platform of Principles of the old Trades and Labour Congress in 1900, unemployment insurance,

legislation recognizing the right to organize and to strike and a host of other measures which we take more or less for granted now are due to the union movement.

These have also been accompanied by tremendous strides in the organization of the union movement.

Yet the myths continue. It is sad but true that the union movement, in spite of its many gains, is still viewed with skepticism in many quarters. This has been aggravated by the changing nature of work, the work force and the work place. These changes are due in many cases to advances pushed vigorously by the union movement. They have resulted in more education, great advances in technology, and in people's expectations for themselves and their children.

These changes have caused difficulties and placed strains on many aspects of our traditional industrial relations as issues and organizations have become more and more complex.

But they also present us as Canadians, and as employees and employers, greater opportunities than at any

recent time to make improvements in what is still the best, the most tested system of industrial relations that I am aware of. And the system that is most compatible with the kind of individual freedom we believe in so strongly in this country.

This is my message today. We can move from confrontation towards cooperation without impinging on the ideal of free collective bargaining.

We can take steps to improve the economic climate and the lives of Canadians without doing violence to the improvements that have been won in the past. And in doing so, I believe, we will be building a better, stronger, more united Canada.

Part of this process must involve recognizing and accepting the union movement fully as the constructive force it has generally been in Canada and to remove the bottlenecks that do exist to understanding and communication.

How dramatic we can be in achieving this is an open question. I believe, however, that there is room for rapid advances in some areas and for steady if slower progress

in others.

Last October the government outlined its concerns and desire to lessen the antagonism that has understandably worked its way into Canadian industrial relations and we presented a series of proposals dealing with this.

The proposals deal first with improving the work environment through tackling the contentious and sometimes unbargainable issues of job satisfaction, health and safety. They also extend some of the basic safeguards concerning unjust dismissal and wage payment to unorganized workers.

Secondly, they suggest steps that can be taken to improve the collective bargaining process by such initiatives as speeding up existing processes, easing the rules governing union organizing, and taking steps to promote broader based bargaining where desirable.

Thirdly, the proposals suggest measures to improve co-operation and communications among all parties involved in industrial relations. This would involve measures to assist in labour education, legislated health and safety committees, and measures to develop jointly the statistical

information that is so necessary and so often disputed at the bargaining table.

I believe we in Canada have a great opportunity now to make some truly significant strides as a nation and a society that is dedicated to respect and justice for all people.

The labour movement has been a great force for individual dignity, unity and democracy in Canada. I believe it will continue to foster these goals and that all Canadians will be better off for it.

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-S 77

Government
Publications

INFORMATION

ADDRESS BY

SYLVA M. GELBER



SPECIAL ADVISOR TO THE DEPUTY MINISTER

CANADA DEPARTMENT OF LABOUR

TO THE

WOMEN'S CANADIAN CLUB OF TORONTO

TORONTO, ONTARIO

SEPTEMBER 14, 1977



THE PAST IN PERSPECTIVE

In these days of national soul-searching, as we begin at long last to reevaluate our past as it appears to us in the context of the present, we tend to concentrate blame only on our political leaders for those events which we now view as having been nationally divisive. We tend to forget that it is less the role of the politician than that of the historian, the historian as writer and as teacher, to bring to the people through the history of our land a sense of identification with and respect for its varied traditions and cultures.

For it is the historian who is the chronicler of the events of our past; and the interpreter of the events which he chronicles. Historians may well differ one from the other insofar as the analysis and interpretation of history is concerned. It is their prerogative subjectively to evaluate historical events. But it is another matter when historical events are presented in a manner calculated to support a particular racial or religious bias.

The history of our country as it was taught to me in the schools of Toronto, when indeed it was taught to me at all, (some elementary courses in primary grades; only Ancient History and Modern European History for matriculation) differed very considerably from the history of our country as it was taught to the student in the schools of Trois Rivières. The history of our country as it was taught to the student in the schools of Rivière-du-Loup, differed very considerably from that taught to the student in the schools of Kingston.

The teachers of history in most instances had based themselves on history texts produced by Canadian historians, historians whose versions varied extensively, often differing one from the other not only in the interpretation and analysis of events, but even in the factual chronicling of the events. More serious than the distortion of historic events, however, was the distortion of the image of one community of Canadians as portrayed to the other community of Canadians.

Our perceptions of each other within this great sprawling country, were inevitably coloured by the images which sprang from our history text-books.

What Donald Creighton portrayed of the francophone community, was as distorted as what Abbé Lionel Groulx portrayed of the anglophone community. Although the perceptions of the one may have been more subtly enunciated than the perceptions of the other, reflecting in no small part the different temperaments inherent in the writers, the brutal distortions of the image of the respective founding communities, contained the seeds of many of the antagonisms which today, after a century of common history, threaten the very being of our country.

As an anglophone native of Ontario, it is not for me to endeavour to bring into focus for our francophone compatriots a more balanced image of anglophone Canada as I understand it to be. Nor is it for me to point out those influences in Quebec life which may have lead to misunderstanding or even alienation. But I may express the hope that out of the present self-analysis, such a new focus will emerge; and hopefully will emerge out of Quebec itself. What might very well be for me to endeavour to do, however, is to ask my anglophone compatriots to review with me just some of the historic events of

our past, in such a way as to inspire a new sensitivity, a sensitivity as to how these events might well have appeared to, and undoubtedly influenced our francophone fellow citizens.

Let us start our review at the time of the earliest settlement of white people in this part of the North American continent; when subjects of the King of France pioneered and settled vast territories of this land; and when subjects of the British Crown vied with them in that endeavour, extending to the New World old world rivalries which had marked the relationship of those two great European powers for centuries.

New France of the early 18th Century extended from the mouth of the St. Lawrence, down through the water routes of the Great Lakes, spilling southward down the Mississippi, and reaching north-westward along great trapping and hunting routes. Early British settlement was mainly in the area to the south and, of course, along its Atlantic coastline. Not unexpectedly, French-British wars carried on in Europe, soon began to be reflected in this New World. These included the surrender of New World settlements as an integral part of treaties negotiated for the termination of wars in Europe.

It was under such a Treaty, the Treaty of Utrecht early in the 18th Century, that what is now Nova Scotia was transferred from French to British sovereignty. The French-speaking Acadian community of that colony, attached as they were to their lands, achieved an understanding with the British administration, that while they would remain loyal to their new masters they would not be compelled to swear allegiance to the British Crown. It was understood as well that the Acadians would not be called upon in any future war either against the French or involving Indian tribes with whom they had been for years allied, actively to take up arms.

For some years they continued peacefully to live on their lands until once more the clouds of war began to gather. The new British administrator no longer accepted the Acadian stance of refusing to swear allegiance to the British Crown; the Acadians pressed by French Canada which still disputed some earlier territorial British gains, maintained their stance. This state of affairs triggered one of the most brutal events in Canadian history: the deportation of some 20,000 Acadians from the land which was their home and from the territory which they themselves had originally settled.

Although in subsequent years the Acadian community in the Maritimes was partially rebuilt, (the Cayjuns of New Orleans still bear witness to the aftermath of the Acadian exile) that British deportation of settlers whose attachment to their lands was particularly close, has left its mark on Anglo-French relations in our country.

On the heels of the deportations came the French-British battles in North America which were associated with the Seven Years War in Europe. These were the battles which set the stage for the Canada which has emerged. It was then that the British captured Quebec. It was then, under the Treaty of Paris that France ceded to Britain all French possessions in the New World except New Orleans.

The settlers of what had been New France saw themselves not only as a conquered people, but they also suffered the humiliation of desertion by France who turned her back on those who did not return to the home country. Our common history in this land thus commenced with a feeling of defeat and of isolation on the part of the original French settlers who made up the majority of the white population in this area of the New World.

In recalling the British conquest of French Canada, regard should be had to developments which were at that time taking place in the British colonies to the south where the early rumblings of what was to be the American Revolution, could already be heard. It might not have been unreasonable to have expected a newly conquered people, the French settlers, to throw in their lot with those in rebellion against the same British Crown which now stood sovereign over the conquered territory. But the fact remains that French Canada stood firm against all intrusions of the revolutionary wars. The reason was to be found in the Quebec Act, passed in the very year of the commencement of the revolutionary wars.

The Quebec Act, passed by the British Parliament, was regarded both by the British and by the French Canadians as a Charter of fundamental liberties and rights. Among other things, it gave to the people of the conquered colony, the right to maintain their ancient laws as set out in the Civil Code; the right to continue to practice their Roman Catholic faith; and to ensure the traditional rights of the clergy and the seigneurs. In the context of the times, these guarantees were extraordinarily

enlightened and they won for the British the complete loyalty of the French Canadians during the American Revolution.

Following the American Revolution, there was begun a substantial trek north of former colonial settlers from the United States, British Empire Loyalists who wished to maintain their ties with the British crown. Some 40,000 loyalists settled in New Brunswick, along the north shore of the St. Lawrence, along Lake Ontario west of Kingston and through the Niagara Peninsula. Not only did they change the balance of the English-speaking Protestant populations but they brought with them a considerable amount of anti-American sentiment. More significant, however, was the profound effect they had on Canadian development and on British policy as it had been enunciated in the Quebec Act only a few years before.

It was at the request of the English settlers and the new population from the United States that, under the Constitution Act, Quebec was divided on an experimental basis so as to separate the English and the French into Upper Canada and Lower Canada respectively. In the British House of Commons at that time Prime Minister Pitt had explained that the

purpose of this separation of the English and French communities was:

" ... to put an end to the differences of opinion and growing competition that had for some years existed between the ancient inhabitants and the new settlers from England and America, on several important points."

It is interesting in perspective to note that this first "Separatist" move came not from French Canada but from the English-speaking community including the recent arrivals from the United States of America. Their settlement in Canada preceded by only a very few years a war in which Canada was engaged against their own former compatriots.

For the newly independent colonies which now formed the United States of America, found themselves at war once more with the British. French Canadians and Anglo-Canadians stood together in battle, scoring military successes against the Americans when Canadian soil was threatened by this foreign power. The battles of Queenston Heights and Chateauguay are recorded among others as common victories in what was the beginning of a tradition in national military achievement. Subsequent problems relating to conscription, which shall be discussed in due course, cannot dim the outstanding record of military

achievement which thousands of French Canadians, along with their English-speaking compatriots, have won for Canada over the years.

Meanwhile, trouble was brewing within each of the new governmental structures established under the Constitution Act. Privilege and power more and more became oppressive in each; governments took on the appearance of oligarchies.

In Lower Canada, the French of course made up the majority of the Assembly, but the Governor usually sided with the British traders. He in turn held extraordinary powers which he was able to exercise subject only to directives from the Colonial Office in London. The French were substantially excluded from the direction of staple trades; and they differed in economic outlook with their English compatriots in that they were not in favour of development projects, particularly since these were likely to increase taxation. Economic conservatism, coupled with a firm intent of maintaining their culture, dominated French Canadian philosophy at that time. When an eloquent nationalist leader of considerable charm came to the fore in the person of Louis Papineau, revolution appeared to be inevitable.

In Upper Canada too dissatisfaction was growing as a result of what was known as the Family Compact, consisting of the urban merchants and official class who controlled the Executive and Legislative Councils. They were concentrated in Toronto and favoured policies of economic expansion. Generally they were supported by the Anglican clergy and anti-Catholic, anti-French-Canadian Orangemen. The Compact was aligned against the rural and farming element. Religious denominational differences further sparked the movement for reform which had developed.

Inevitably, insurrection and rebellion broke out in Lower Canada, and within one month rebellion also broke out in Upper Canada. The insurrections of 1837, were both put down. In Lower Canada the French Canadians were particularly embittered by the defeat feeling quite convinced that it was traditional for Anglo-Saxons to mistreat them. These unhappy events strengthened their sense of suspicion and distrust.

The British Government sent Lord Durham to Canada to investigate the causes of the rebellions; and to make recommendations for reform to the Colonial Office. Lord Durham spent only some five

months in Canada, and during that period he suffered ill health a good part of the time; in fact, his departure even before his Report appeared, was precipitated by a controversy with his superiors in London. I mention these facts in an effort somewhat to extenuate those sections of his Report relating to the French in Canada. For the tenor of his comments in this regard are such that if they were to be published in these latter years of the 20th Century, they might well have been found to be in contravention of the sections in the Criminal Code relating to hate literature.

In the context of contemporary mores, it is difficult to imagine in an official Report paragraphs bearing the heading: "Inferiority of the French".

"There can hardly be conceived a nationality more destitute of all that can invigorate and elevate a people, than that which is exhibited by the descendants of the French in Lower Canada, ...", wrote Durham.

Durham then recommended that "for their own good" French Canadians should be completely assimilated into the "superior" English culture. It speaks well for the judgement of the Colonial Office, that this

section of his Report was never adopted as government policy. Durham's recommendation in this regard, however, was so hurtful to and resented by French Canadians that as recently as 1977, some century and a half after the event, the Association of Francophones Outside of Quebec, certainly a non-Separatist group, reminded us of this assault on their culture when they entitled a recent thoughtful brief to the government, "The Heirs of Lord Durham".

The other parts of the Durham Report, however, were positive and even radical. Durham suggested both a new structure and new powers for the former separated Canadas. He strongly recommended the re-uniting of Upper and Lower Canada into one province consisting of Canada East and Canada West. Particularly significant was the recommendation that responsible government be conceded to this single legislative union. This had been a primary objective of reform groups for some years; and it has made Durham's name a notable one in the annals of colonial reform.

Responsible government though it may have been in Canada, it was not representative government in the sense that strict representation was obtained

on the basis of population. The French Canadian population at that time still represented a majority in the total population of the united province of what had been Upper and Lower Canada. If the democratic principle of representation by population were to be adopted, French Canadians would, of course, have an advantageous position in the Assembly in the eyes of the non-French community. Such a situation would certainly not have been acceptable to the citizens of the former Upper Canada. In order to neutralize the French representation, therefore, an equal number of representatives were allocated to Canada East and to Canada West. Thus, regardless of population the representation would be equal.

It was a reform government, lead by Robert Baldwin for Canada West and Louis H. Lafontaine for Canada East, which headed the first administration in the Assembly. The partnership of these two leaders was one of the great alliances between leaders of the two founding peoples. Lafontaine had succeeded in bringing the support of his compatriots for a policy of cooperation in spite of the opposition of the nationalists. But Anglo-French-Canadian relations were never easy, even when their leaders were men of the calibre of Baldwin and Lafontaine.

The reform leaders had introduced a Rebellion Losses Bill to make amends for material losses suffered by the rebels in Lower Canada during their rebellion a decade before. In spite of protests the Governor who had the power to disallow, approved the legislation. Such action he felt to be consistent with the newly adopted principle of responsible government. English-speaking Montrealers were incensed; riots and disorders broke out in Montreal. Feelings ran so high that over a thousand Montreal merchants and politicians signed a manifesto advocating the annexation of Canada to the United States of America! Needless to say the manifesto of the English-speaking Montrealers got no support elsewhere.

By the following decade French Canada had come to terms with commercial capitalism. Through a union of French-Canadian and English moderate groups, under the leadership of George E. Cartier and John A. Macdonald, a Tory Party was formed dedicated to the belief that cooperation with the French was essential to political success in the united Province of Canada. The leaders were determined that "cooperation could only be brought about by a frank recognition of the cultural dualism of Canadian life."

The Conservative Party began to take up the cause not only of cooperation between the French and English, but also the cause of achieving a federation of all the British North American colonies. They began to develop as a plank in their platform the cause of a Canadian nationalism.

The development of the move towards union was furthered if not prompted by events which were occurring abroad. The British attitude towards its colonies in North America appeared to be undergoing change. Tensions which had developed between Britain and the United States during their Civil War, had culminated in the dispatch by England to the British colonies of an expeditionary force of nearly 15,000 men, an undertaking which placed on the British taxpayer a considerable financial burden. The force was intended to provide a defense for British possessions in North America. Not unreasonably, the British felt that Canada should share in the costs of their own defence. The Canadian legislature, however, turned down a resolution of the British Commons demanding financial support for the British troops.

The mood at that time in England might best be described in the words of a British Member of Parliament who declared:

"... that the people of Canada have been led to believe that we consider them of such wonderful importance that we shall undertake any expense to maintain Dominion over them. What I want them to understand, and what I want our government to make them understand, is that we do not care one farthing about the adherence of Canada to England."

It was clear that Canada was being invited if not to cut the umbilical cord, at least to become financially less dependent.

The story of Confederation does not have to be retold here except to recall that there was not very much enthusiasm for it both in the Maritime Provinces and in Canada East. French Canada feared a minority position in a united British North America and was uncertain and divided at the prospect. Still, Quebec was reminded that it had been the origin of the Empire of the St. Lawrence; it could be a genesis of the Dominion of Canada.

The Confederation instrument was the British North America Act passed by the British Parliament. It still provides Canada with its only written constitutional foundation. The Act established representative parliamentary institutions; and set

out a distribution of powers between the provinces and the Dominion. Among the provisions of the law was a condition relating to French language rights in Quebec in the federal Parliament and in the federal courts. The designation to the provinces of sole jurisdiction in the field of education was also prompted in some part by a consideration for separate schools as they then existed. As other provinces joined Confederation, amendments were made to the BNA Act to accord with the terms and conditions of the union.

Thus it was that when the Territorial area of Canada was extended through the conquest and acquisition of land, the way was opened for the establishment of a new province, Manitoba, and for its entry into Confederation. Legislation was duly passed in the form of an amendment to the BNA Act and a provincial statute, the Manitoba Act, into which guarantees were written to protect the status of the French language in the new province. It must be recalled that French settlement throughout this area dated back to the earliest fur traders and explorers; and that in consequence French was the mother-tongue of considerable numbers of its inhabitants. But of this more will be said subsequently. Relevant to the story of this period, however, is the story of the Red River insurrection.

The Métis people of the Territory, who were a mixture of French and Indian peoples, had become alarmed at the prospect not only of Canadian domination, but even more at what seemed to them a threat to their lands. Their leader, Louis Riel, through an insurrection carried out even before the legal procedures had been completed for the consummation of Confederation, established a provisional government. This provisional government with the alleged consent of Riel, hanged for treason an Ontario Orangeman, Thomas Scott, who had settled in the territory, a deed which was to have long-lasting, deeply felt repercussions in the story of Anglo-French relations in Canada.

The subsequent failure of the insurrection removed Riel from Canada for some years and opened the way for the orderly establishment of the new province. Riel returned, however, at the request of his own people some years later to lead a second rebellion, this time in Saskatchewan. He was captured, tried and hanged, this in spite of a jury verdict which contained a recommendation for leniency; Riel's sanity by that time was in considerable doubt. The federal government had acquiesced in the hanging, due to the political pressures which emanated particularly from

Orange Ontarians. They sought revenge for the execution over a dozen years before of one of their own, the "martyr" Scott as he is still described in the Canadian Encyclopaedia. French Canadians saw the execution of Riel as yet another anti-French, anti-Catholic gesture.

It was in the years immediately following the period of these strained relations, and not unrelated to them, that Manitoba reneged on the language policy which had presumably been guaranteed under the Constitution when that province entered Confederation. The provincial law was amended so as to delete the relevant clauses in that statute.

The suppression of French language rights in Manitoba occurred in 1890. It is interesting to note that once more the relevant statute is now being challenged in the court as to its constitutional validity. The federal government recently announced its support of the pending court challenge instituted by a private citizen. Over the years, the French-speaking peoples of Manitoba have been convinced, and perhaps rightly so, that they have been deprived of their constitutional rights with regard to language, and that for nearly a century.

French language rights had also been embodied in subsequent legislation which formally brought the Northwest Territories into Confederation. As in the case of Manitoba, these language guarantees were later deleted from the statute books of the Territories. Strong feelings once more seemed to trample on constitutional guarantees!

Constitutional rights were not the issue when shortly before the First World War Ontario enacted a Regulation declaring that English was to be the principle language of instruction throughout the province. In Ontario, of course, there had never been a constitutional guarantee; the use of the French language in the schools had rested on custom rather than right. Since there were at that time, and in fact there still are, areas of Ontario in which French is the mother-tongue of a substantial percentage of the inhabitants, this move came as another gratuitous blow to those deeply concerned with the retention of their French culture.

But if language has been at the root of much of our unhappiness in the past, the issue which above all others sparked the greatest bitterness was the issue of Canada's participation in European wars. The call to arms for King and country rang differently in

the ears of each of the two founding peoples. In the emotional outbursts of feelings which marked the wartime climate, few endeavoured to analyse, much less understand, the background and social mores which accounted for the differences in response; and few endeavoured to show compassionate understanding one for the other. The war in Europe was seen by English-speaking Canada as a war for democracy and for country; the war in Europe was seen by French-speaking Canada as a foreign Imperial affair, of no concern to this part of the world, a view incidentally shared for a good part of the time by the United States of America.

French Canada had stood apart from Europe ever since France had turned her back on those settlers who had remained in the New World after the conquest. English Canadians, on the other hand, were almost wholly British with deep traditional ties to the British Crown. Those symbols of British monarchy which were so dear to English Canadians remained for French Canadians, even after so many years, the symbols of the conqueror. English Canadians had had embedded in them a strong sense of filial love for Britain; the French Canadians had become a people of the New World, bound by no ties beyond their own frontiers.

Then there were also the influences which had been derived from religious affiliation. The Protestant sense of duty was strong in the English Canadian just as the Catholic sense of self-preservation through isolation, sense of fear lest their youth be corrupted, was equally strong in the French Canadian. To the English Canadian the matter was one of simple patriotism and loyalty; to the French Canadian it was seen as a threat to his way of life and to the culture which he prized above all else. Conscription was the blade which separated so brutally the two founding races in this land, leaving a wound which no longer bleeds but whose scar is still all too clearly visible.

There is at least one other area where during the last three or four decades there has grown a sense of alienation in Quebec: in the area of federal-provincial relations. It is to be expected that in a country as vast as ours, where regional disparities of a substantial nature exist, where relationships between the federal government on the one hand and the provincial governments on the other, are still substantially regulated by a Constitution which was formulated over a century ago, that inter-governmental tensions should build up. The designations of jurisdictional fields, which allocated

taxing powers in accordance with the fiscal responsibilities, were seen to be no longer relevant to the contemporary scene. All governments tend to be jealous of what they consider to be their rights. And the name of the political game is power.

In this situation the position of Quebec has frequently not been unlike that of some other provinces, particularly in federal-provincial negotiations relating to fiscal agreements and social security programs. Quebec's perception of its position, however, has been that unlike other provinces federal intrusion into fields of provincial jurisdiction is an affront to French Canada; it contends that only through its guardianship of its own provincial rights can it maintain the uniqueness of its language and culture. It may be that in this regard Quebec has been oversensitive but the fact remains that they have seen the situation as a matter of survival.

This then is but a glimpse of a small part of our past in perspective. Obviously, the history of a people is more than the cumulative chronicle of the events which marked its past; it consists of many ingredients including the store of the common

experience, both good and bad, of its people. But above all it is the sense of respect and compassion which grows with the growing years, of one citizen for another, the heritage of a life together deeply rooted in the soil of the common homeland. If some of our historians have shown a lack of sensitivity in this regard, not all of them have so failed us. This, for example, by Arthur Lower:

"If the Canadian people are to find their soul, they must seek for it, not in the English language or the French, but in the little ports of the Atlantic provinces, in the flaming autumn maples of the St. Lawrence valley, in the portages and lakes of the Canadian Shield, in the sunsets and relentless cold of the prairies, in the foothill, mountain and sea of the west and in the unconquerable vastnesses of the north. From the land, Canada, must come the soul of Canada."

If the soul of Canada is in any way to reflect the land which hopefully will give it birth, then it will be a soul of infinite dimension, generous and tolerant, compassionate and understanding. For it will have been born not only out of the miracle of Canada's infinite variety and beauty but out of the miracle of the survival of the Canadian people as a nation in spite of and not because of our past.

The history of a people is the very core of its being. The experiences of its past may provide the cementing material essential to its unity; distortions of that past may provide the material for its disintegration. A heavy responsibility, therefore, rests on the shoulders of historians and teachers of history. Those who on occasion have permitted their personal biases to distort their texts and teachings, might well be reminded of the wisdom of a thousand years. Aesop in one of his fables wrote:

"Every truth has two sides; it is well to look at both before we commit ourselves to either."

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.,

MINISTER OF LABOUR

TO THE ANNUAL PROFESSIONAL CONFERENCE
OF THE CANADIAN SOCIETY OF ENGINEERING

HILTON (AIRPORT) HOTEL,

TORONTO, ONTARIO

SEPTEMBER 19, 1977

5:30 p.m.



I was delighted to accept the invitation to address you on the occasion of this annual conference. I was particularly pleased that you have expressed an interest in hearing more about our national centre for Occupational Health and Safety. This meeting also enables me to elaborate on the Government's positive moves to provide leadership and action to create a better environment for Canadians at work and, in so doing, improve our industrial efficiency.

I think that most of you are aware of the programs which I have initiated, together with officials of my Department, that are designed to bring about these improvements, and I hope a better, more workable industrial relationship. I would like to return to these initiatives in a moment.

As safety professionals you are quite aware of one of the most outstanding characteristics of our era, that is: the very rapid and sustained rate of technological development within virtually every branch of industry, especially manufacturing, construction and transportation.

This has been strongly influenced by two important factors. The first is the strong commercial pressure to improve technological efficiency. The second is the

significant change in public opinion as to what is acceptable or unacceptable in terms of every day working life, more particularly in the physical work environment. These two notions are not incompatible.

It is now fairly well accepted that Canadians at work have a fundamental right to an environment that neither damages their health nor imperils their safety. Occupational safety and health also constitute an important element in the maintenance of reasonable employee-employer relations, not to mention their contribution to productivity and profitability.

During recent years, I have been an interested observer of, and at times an active participant, in the labour-management scene. I have come to the conclusion that constructive employment relations are difficult to achieve without tangible evidence of action to improve and maintain the highest possible standards of occupational health and safety. This is, or ought to be, a normal function of management. The success of some industries in achieving substantial reductions in their occupational injury rates is clear evidence of what can be accomplished when there is a concerted effort to do so.

As you know many employers in this country as well as organized labour have become increasingly sensitive to the influence of working conditions on the well-being of the individual as well as upon the efficiency of the business. More and more workers as well as the public are questioning the necessity of tolerating conditions which produce such baleful effects upon workers and the community.

Adequate solutions to these problems have not yet been found but leadership towards cooperative action in their resolution is now a priority requirement. Leadership rather than control is a much better way to obtain the involvement of people and their commitment to desirable objectives.

Governments at all levels are faced with many difficulties in attempting to deal with these issues of broad social concern. There is no shortage of basic legislation in this field among all the jurisdictions. Several provinces in the past year or so have taken appropriate action to strengthen their policies and to improve their organizational capacities. In Ontario, there is that

contemporary legislation referred to as Bill 139.

I understand that this is the foundation of more comprehensive legislation that I am sure will become a landmark with respect to occupational health and safety matters in the province.

The province of Saskatchewan has been innovative in its approach to better health and safety performance by industry. Alberta and Manitoba have enacted progressive legislation for the same purpose. In New Brunswick an updated version of their industrial safety act has been passed and Newfoundland has announced its intention to consolidate its various services in a new division of the Department of Labour and Manpower. All of this reflects the great and growing concern of governments and their increased awareness of the complexity and seriousness of this aspect of current industrial activity.

I am sure you have noticed frequently, as I have, the aggressiveness of each side of industry in its dealings with the other. The question of hazard control on the job surely is deserving of some of that same positive aggressiveness; for without an aggressive policy, fatalities, injuries and diseases will

continue to rise - along with greatly increased costs. This is a major challenge that faces industry to-day.

Industry has to some extent applied techniques towards the betterment of working conditions. Although the technical aspects and their contribution to improved safety and health at work are important, more significant is the personal attitude towards safety that is engendered on the job. As you well know, the majority of accidents do not arise from technical faults and failures, but are due in the main to the human element. In order to achieve real progress, each firm must have an effective safety organization working through an established policy and capable of having participation from all segments of the enterprise. It is towards just such cooperative activity that many of my new initiatives are aimed. Two of these proposals are especially pertinent to this general subject.

One of the principal elements is the creation of a Canadian Centre for Occupational Health and Safety which was announced by the Government in the Speech from the Throne at the opening of Parliament last October.

The Centre is seen as an institution that would promote the concept of a safe work environment and the attainment

of the physical and mental health of working people. It would facilitate consultation and cooperation among provincial, territorial and federal jurisdictions in the establishment and maintenance of high standards of occupational safety and hygiene appropriate to the Canadian situation and compatible with recognized international standards.

Through the provision of expertise the Centre could assist public authorities in the development of policies and programs for more effective control of occupational hazards. The Centre would also create a new avenue for labour-management participation in the vital pursuit of solutions to these problems.

The role of the Centre will evolve under its own authority to serve diverse needs as circumstances require. Its functions, which would complement what the provinces are doing, would include the development of a national technical and scientific information system to inform and advise on occupational health and safety matters generally; the development of standards and codes of practice; the provision of technical advisory services, on request; the provision of grants to stimulate research; and liaison and communication with other professional institutions, national and

international organizations in this field. The Centre would also establish a system to give early warning of potential as well as present hazards, and identify the nature and probable effects of hazardous substances.

The Centre would be an autonomous body, governed by a council with representatives from the provinces and territories, the federal government, labour, management, professional, scientific and public interests, assisted by scientific and technical advisory committees.

It would serve as a pivotal point through which agencies and institutions active in this field could voluntarily co-ordinate selected activities and exchange information.

A Centre so conceived and organized would be a truly national institution that would be capable of providing service to, and for, all jurisdictions. Such a centre would undoubtedly facilitate the work of existing federal and provincial authorities responsible for remedial programs in this field.

A planning secretariat under the chairmanship of my Department and with considerable assistance from Health and Welfare Canada spent some time earlier this year in expounding this concept with interested parties.

During that time some 27 or 28 meetings were held in several major cities at which representatives of provincial and territorial departments and agencies, associations of employers, technical and scientific societies, the medical profession, the academic community and other diverse interests to discuss the role of such a Centre and its relationship to existing facilities both private and public.

I have been much encouraged by the constructive response that this proposal has received in all parts of the country.

Another proposal upon which I wish to comment

relates to greater worker participation by encouraging the formation of joint labour-management Safety and Health Committees in the work place. These committees would be assisted by the provision of technical and other advice by Labour Canada officers. In this regard our proposals closely resemble those that were enacted late last year in Ontario. A number of other provinces have been moving in this direction as well.

We see these committees as providing a useful and very practical expression of the desire of workers to participate more actively in the resolution of problems that they encounter in the work place. In my view, this desire on their part should be encouraged, and the necessary mechanism should be put in place that will channel these efforts into the most productive results. I think it worth mentioning that for the past 35 years or more my Department has been promoting the establishment of labour-management committees in industry generally, and with some success.

There is a growing acceptance by responsible people that a worker has the right and the duty to be aware of matters related to safety and health at the work place and to work in a safe and healthy environment. There is an equally growing recognition that the worker must be actively involved in the development of programs designed

to achieve this and that the employee must then comply with the safe working procedures that are developed.

This will require a partnership of workers and management in a responsible body that will establish a medium within which true worker participation will be encouraged. The prime benefits to be obtained from this partnership will be the more effective control and resolution of safety and health matters and a more participative, responsible and stable labour-management climate.

To this end, the Department is developing a comprehensive program for the establishment and operation of labour-management safety and health committees in federal industries, according to predetermined criteria. We will provide services to these committees so they can perform their key functions more effectively.

The members of these committees, their duties and responsibilities, are similar to those described in the Ontario and other provincial legislation. I intend to introduce legislation at the next session of Parliament that will authorize this activity within those industries that come under federal labour jurisdiction.

Our legislative proposals will include a provision

whereby workers who consider themselves to be exposed in the course of their employment to an imminent danger may withdraw from work under such circumstances. We recognize and understand the concern of employers with respect to the possibility of frivolous or capricious use of such a provision, but I have sufficient confidence in the maturity and intelligence of the average Canadian worker that this will not become a common occurrence.

I believe it essential that employees not be required to work at processes or in places which they sincerely believe to be basically unsafe or unhealthy. When one thinks of this, it is equally unsatisfactory to the employer - or ought to be - that his employees should continue to work under such conditions. Inevitably these circumstances, if they exist, will lead to accidents, personal injuries, material loss, damage to plant and all the rest of it. In fact our present federal law, Part IV of the Canada Labour Code, makes it a duty for employees to remove themselves from such places. Now they will be given the right to do so. There will be safeguards against discrimination through suspension, dismissal, and loss of wages.

I confidently expect that issues of this sort will be

speedily resolved by the procedures we will establish.

These will be matters of mutual concern to management and to workers and the primary responsibility will be on them to settle the problems. Joint safety and health committees may well play a role in the resolution of such questions and federal safety officers may exercise their powers in this regard. As a final stage we are proposing that an unresolved question of this kind can be referred to the Canada Labour Relations Board.

While I would like to discuss the many other new initiatives my Department has in progress, I realize that time is short at this stage. So I will make do with a brief enumeration. These other initiatives include:

- a national quality of working life centre;
- expansion of existing advisory services to help locate and treat potential employment problems before they become serious;
- a voluntary code of good industrial relations practices;
- legislation to prevent unjust dismissal, ensure payment of wages, and add other basic minimum standards for the protection of unorganized workers;

- an effort to implement the ILO Convention on paid educational leave;
- improvement of government policies on pension rights and benefits so as to reduce the friction caused by this issue at the bargaining table;
- promotion of broader-based bargaining;
- amendments to Part V of the Canada Labour Code;
- improved conciliation, mediation and arbitration services;
- greater educational facilities and opportunities to assist labour leaders (and potential leaders) to increase their skills and knowledge in all areas of labour relations;
- establishment of a collective bargaining information centre;
- creation, hopefully, of a national consultative multipartite forum in which labour can join with business, government, consumers, farmers and other interest groups in helping to solve common problems.

Each of these propositions has potential for bringing about better understanding of some of the dynamics of our industrial society and how they may be channelled in more constructive ways to the benefit of all.

Today we must all face the necessity of an improved industrial relationship if Canada is to remain a land that's progressing, socially and economically. With co-operation and goodwill we can make many improvements to the work environment...an environment that influences not only the work place itself but our individual and collective relationships.

The work environment influences, and is influenced by, our attitudes; attitudes that must shift from their traditional adversary base to a more enlightened acceptance of our interdependence.

I know that your own profession, and others, long ago realized and acted upon this reality. With your continuing expertise and co-operation I am sure that we can meet the challenge of putting shared responsibilities in place of confrontation.

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ADDRESS BY

SYLVA M. GELBER

SPECIAL ADVISOR TO THE DEPUTY MINISTER

CANADA DEPARTMENT OF LABOUR



TO THE

MEN'S CANADIAN CLUB OF LONDON

LONDON, ONTARIO

SEPTEMBER 21, 1977



CONSTITUTIONAL JUGGLING AND THE SOCIAL SERVICES

It is now many years since we have been aware that Canada's constitution, or at least that part of the constitution which is written, the British North America Act, is no longer serviceable as a precise blueprint for the allocation of respective areas of jurisdiction between the federal and provincial governments. Changing values particularly relating to the social services including education, during the course of this last century; and the concomitant fiscal requirements to support the relevant services, have necessitated systems of ad hoc constitutional juggling without providing thereby essential constitutional solutions.

When the constitution was adopted over one hundred years ago, social services in the public sector consisted in the main of some institutional services and poor-law type of relief. Such contemporary concepts as the responsibility of the state for the provision to individuals of what we describe as a social minimum, could not then be envisaged. Hence, when the provinces were given sole jurisdiction in matters of local and private concern, education, hospitals and welfare institutions, they were in effect given responsibility for the fields of health, welfare and education. To support services under these headings, the provinces

were empowered to raise the money by means of direct taxation. On the other hand, the federal government, which was intended to be generally stronger than the provinces, was empowered by the constitution to raise money by any means including that of direct taxation.

When, with the ongoing years, social services in the public sector became essential elements in society, provinces found themselves unable to raise the requisite revenue to support them because of the limitations on their taxing powers. Furthermore, it also became clear that while those provinces which were economically more advanced might well find the means of supporting their poor, the less economically advanced provinces would not be in a position to do the same for their poor. Thus, some Canadian poor might be assisted while other Canadian poor would not be assisted, depending in what part of the country they lived. Such a state of affairs could not be tolerated as long as Canadians viewed all of their citizens as equals. Hence, continuing efforts to find the means of carrying out flexible social policy measures within the confines of a less flexible constitution.

Confederation was still young when during the depression years of the 1870's and 1880's, the provinces already began to challenge the federal powers spelled out

in the constitution. Constitutional interpretations were sought from the Supreme Court and the Judicial Committee of the Privy Council in London to whom recourse could be had in those years. More and more, through judicial interpretations, the provinces won more and more concessions. Over the years in Canada the provinces established health and welfare services and extensive systems of education. For the most part these services were financed solely out of provincial funds. Fortunately, Canada's economy prior to World War I and for a decade following it, had been robust.

It was only after World War I that the federal government began to make available to the provinces the first conditional grants for specified purposes in the social field, for venereal disease and technical education, both areas considered to be within provincial jurisdiction. By the late Twenties the federal government passed its first pioneer social legislation: the Old Age Pensions Act.

This conditional grants program was based on Agreements between the two levels of government. The federal government undertook initially to assume one-half of the costs of Old Age plans adopted by provinces which administered means-tested benefits programs for

provincial residents. The constitutional validity of this federal statute was never challenged, although a Royal Commission commenting on it a decade later pointed out:

"Thus, without acquiring additional jurisdiction, the Dominion assumed heavy financial responsibilities for a costly function regarded by the Dominion and the provinces alike as a provincial responsibility."

It was in the early years of the Thirties that the problem of jurisdiction in areas related to welfare came forcibly to the fore. Unemployment in the cities coupled with drought particularly in the west, left thousands of families utterly destitute. The provinces were unable to raise the requisite revenue to make the relief payments for which they, or their creatures the municipalities, were responsible.

The federal government had to come to the aid of the provinces and the municipalities whose coffers were empty. They began to make substantial payments directly to the municipalities so as to enable them to provide relief. But the municipalities were not answerable to the federal government; they were only answerable directly to the provincial government which, in turn, was not the source of the payments. The federal relief grants were of an emergency nature, of course, being made available from one year to the next, thus precluding proper planning and sound administration

on the part of the provinces in which they were being administered. It was a confused and unsatisfactory situation.

The federal government sought ways of bringing some order into the chaos. Their effort consisted of the introduction of a federal statute, the Employment and Social Insurance Act which among other things, made provisions for a system of national social insurance designed to cope with problems of unemployment in particular. It was to be financed in part by individual contributions and administered by the federal government.

On change of government the following year, the legislation was submitted for a test of constitutional validity to the Supreme Court and to the Judicial Committee of the Privy Council in London, to whom an appeal could still be addressed at that time. Because of the method by which it was proposed to finance the program, the Act was declared to be ultra vires of the federal Parliament. Clearly the federal government was not free by any means to enter a field which came within the jurisdiction of the provinces as set out in the constitution.

This was not the only attempt made by the federal government to institute social reform in those

difficult years of the Thirties; another was made at the same time in the area of labour legislation. Recognizing that such subjects as minimum wage and hours of work within a province, came within the jurisdiction of the provinces, the federal government of the day apparently attempted to acquire jurisdictional responsibility by an indirect route. They ratified three International Labour Conventions of the International Labour Organization; and having so ratified these Conventions claimed the right to legislate on the grounds that the federal legislation was merely a fulfilment of international obligations. Under the Statute of Westminster, of course, it was the Parliament of the Dominion which was given jurisdiction in matters pertaining to extra-territorial operation.

Several of the provinces viewed this federal labour legislation as a direct invasion of a provincial area of jurisdiction and appealed the matter of its constitutional validity to the courts including the Privy Council in London. Once more the federal legislation was declared to be ultra vires of the federal Parliament. The extent of the power of the federal government to intervene in areas of provincial jurisdiction was becoming clearer.

It was at this point that the federal government appointed a Royal Commission on Federal-Provincial Relations to examine the constitutional allocation of powers and their relevance in the face of past experience. The Report of the Commission, which came to be known by the name of its two chairmen, is still commonly referred to as the Rowell-Sirois Report.

The Commission report which was completed three years later, was described at the time as a blueprint for constitutional reform. Unfortunately, it was tabled at a time when Canada and her allies were facing a moment of destiny, in mid-1940. But already the federal government had introduced legislation, the Unemployment Insurance Act, which implemented a proposal of the Commission that the federal government should be responsible for unemployed employables. The legislation envisaged the establishment of a federal program to be financed through an Unemployment Insurance Fund composed of contributions made by workers, employers and the federal government. In order to ensure the constitutional validity of this statute of the federal Parliament, an amendment was made to the British North America Act designating "unemployment insurance" as a class of subject assigned to the legislative authority of the Parliament of Canada.

Other recommendations made in the voluminous report of the Royal Commission affected a wide range of federal-provincial relations particularly relating to social services; and to the taxing powers of the two levels of government essential for raising adequate financial resources to support these services. One of the recommendations of the Commission which has proved to be only of academic interest, related to federal powers in the field of labour legislation. The Commission recommended that the federal Parliament should be empowered to legislate nationally in certain aspects of labour standards including those relating to minimum wages, maximum hours of labour and age of employment; it was envisaged that the provinces would continue to administer labour law in the province which could exceed the standards set by the federal statute. Presumably the Commission was of the opinion that such labour standards affected the federal government's general power relating to economic control.

While the question of implementation of the recommendations of the Commission had to be left in abeyance for the time being, immediate matters of concern faced the war-time government of the day. The war effort was imposing a particularly heavy financial burden on the federal government; it was considered to be essential to

harness the full national financial capacity to this undertaking. Through Federal-Provincial Fiscal Agreements the provinces agreed temporarily to give up their rights to collect personal and corporation income taxes in return for which the federal government agreed to compensate them. These taxation agreements were originally intended to be of a temporary nature to meet the exigency of war; it was not envisaged that they would be continued into the post-war period, for which social planning was already under way.

A Social Security Committee of the House of Commons had been set up to make a special study of social needs in relation to post-war reconstruction; and to make recommendations to Parliament in due course. The Committee recruited outstanding experts generally in the field of social welfare and, in addition set up a special Advisory Committee on Health Insurance. The Social Security Committee, in due course, had placed before it one report recommending the establishment of a social minimum to be secured through a combination of social insurance, social assistance and children's allowances. The second report, that of the Advisory Group, recommended the inauguration of a Health Insurance program on a nation-wide basis.

As the war approached its end, the government inaugurated a program of Family Allowances to be administered directly by the federal government for the

stated purpose of providing equal opportunity for all Canadian children through the provision of monthly cash allowances. While this program was generally categorized as a welfare measure, in fact it was originally inaugurated as a means of redistributing income, an economic measure designed to provide the purchasing power essential to the maintenance of a brisk economy, to ensure against anticipated but happily not realized post-war unemployment. Only once some thirteen years later was the constitutional validity of this legislation challenged, a challenge which was not upheld by the court which heard it; and it was never appealed.

With the war in Europe all but over, the federal Minister of Reconstruction presented to Parliament a White Paper on Employment and Income, a program which was then described as "second in importance only to the pact of confederation itself." It set as a national goal the maintenance of levels of employment and income higher than those previously obtained; and it promised readiness to inaugurate social security programs "as soon as financial and administrative arrangements with the provinces can be agreed upon."

To that end the federal government convened a Federal-Provincial Conference on Reconstruction at which it presented to the provinces a proposal for the renewal

of the war-time Taxation Agreements; in return the federal government offered to establish a broad, Beveridge-like joint social security program. The provinces, however, were not prepared at that time to accept the fiscal proposals; and in consequence the federal government did not proceed with its social security proposals. The following year the federal government made alternative proposals to the provinces in connection with taxation, offering major subsidies only, to be made available under alternative formulas; but the former social security proposals were not renewed. Eventually, the federal government managed to persuade most of the provinces to enter into Taxation Agreements but the two most populous provinces, Ontario and Quebec, demurred. In consequence both had to reorganize their own taxation systems.

It was in the same year that the federal government salvaged from its earlier social security proposals, an offer to inaugurate a National Health Grants program. In making monies available to the provinces through conditional grants for such matters as hospitals, public health research and professional health training, the federal government emphasized that it viewed these Health Grants as "fundamental prerequisites of a nationwide system of health insurance". The program was a

non-statutory one, made available on a year by year basis pursuant only to Orders-in-Council. No constitutional challenge was raised as to its validity.

The era of the Fifties saw the greatest growth of federal programs in the social field experienced hitherto in the history of Confederation. The decade commenced with the passage by Parliament of a universal Old Age Security Act based on the recommendations of a Joint Parliamentary Committee of the Commons and the Senate. To ensure the constitutional validity of the federal legislation an amendment was made to the British North America Act giving the federal Parliament power to legislate in this field. The amendment was cautious, however, for it made clear that no federal law in relation to old age pensions could affect the operation "of any law present or future" of a provincial law in this field. Unlike the amendment which had been made in connection with unemployment insurance, a place for continued provincial jurisdiction was clearly delineated.

The new Old Age Security program was to be financed wholly by the federal government, theoretically out of an Old Age Security Fund consisting of individual financial contributions levied through the federal income tax. In fact, it was recognized that the revenue from

contributions could not meet the obligations of the Fund and consequently loans paid off by subsidies to the Fund were subsequently made from general revenue.

At the same time the federal government introduced the Old Age Assistance Act and Blind Persons' Assistance legislation, followed by the Disabled Persons Act, all of which were shared cost programs, to be financed jointly subject to Agreements between the two levels of government. All of the programs were provincially administered on the basis of a means test. A joint, non-statutory program was also inaugurated in the field of Vocational Rehabilitation.

By the time the federal government began once more to discuss a renewal of the Taxation Agreements, Quebec had become even more disturbed by the extent of what appeared to their government to be a virtual threat to their autonomy in matters of social policy. They contended that the fields of welfare and social security into which the federal government had by now intervened considerably were, under the constitution, areas of exclusive provincial jurisdiction. Although some of the other provinces, particularly those which were less economically viable, were not adverse to the developing trends since they benefited financially from the arrangement, Quebec placed a higher priority on its provincial

rights. Accordingly, Quebec enacted a provincial Income Tax Act of its own in the expectation that the federal government would credit the taxpayers of Quebec with the full amount. Only subsequently following lengthy negotiations did the federal government agree to an abatement in federal income tax, and then only to some extent, to any province imposing its own income tax.

The position of Quebec at that time may be more readily understood when it is recalled that unlike the other provinces the philosophy relating to social services in that province was based on the philosophy and the welfare practices of the Roman Catholic Church; for this reason social welfare in Quebec was for the most part in the hands of private initiative. It was a matter of policy in that province at that time that any state intervention in this regard should be limited to supplementing the services made available through the private sector. Furthermore, Quebec law as set out in its Civil Code differed from that of the common law provinces. To some extent this too placed Quebec in a framework different from that of the other provinces. Consequently, federal initiatives particularly in the field of social welfare where federal funds were to be made available to support provincially administered public programs, were seen by Quebec as an interference which was likely to erode its individual traditions and philosophy.

Because of its particular concerns the then government of Quebec established a provincial Royal Commission to enquire into the constitutional problems relating to the distribution of taxation powers; and to the encroachments by the central government in the field of direct taxation. The Commission, which was popularly known by the name of its Chairman, the Honourable Thomas Tremblay, condemned the federal government for intervention in matters falling within provincial regulatory control, by the method of providing conditional grants-in-aid. The Report of the Tremblay Commission also contained a number of proposals for the re-allocation of taxing powers among which were included equalization measures to redress disparities between the different regions. Generally, however, the Tremblay Commission's recommendations did not jibe with those of the federally appointed Rowell-Sirois Commission of more than a decade before which had envisaged some federal role, particularly in certain areas of social services.

Meanwhile, the federal government had initiated another shared cost program in the welfare field, Unemployment Assistance. This new assistance program differed somewhat from those inaugurated earlier in that the responsibility for determining the conditions for payment rested solely with the provinces. Furthermore

for the first time the old concept of a "means" test which had by then come into considerable disrepute, gave way to that of a "needs" test.

By this time, most provincial governments were finding themselves in considerable difficulty in meeting their constitutional responsibilities with regard to the support of hospitals. Health costs generally had been rising since the end of World War II but the spectacular increase a decade later placed so much pressure on some provincial treasuries that they requested the federal government to place the subject of health insurance on the agenda of a forthcoming Federal-Provincial Conference. The federal government responded affirmatively placing before the provinces specific proposals for a shared cost hospital services program.

The Hospital Insurance and Diagnostic Services Act which incorporated the federal proposals following extensive federal-provincial consultations at the technical level, incorporated the old device of federal-provincial Agreements. A financial formula had been devised so as to ensure that the federal share of costs to the less economically advanced provinces comprised a higher percentage of total costs than that

made available to the other provinces. This formula represented a kind of "equalization" to encourage the poorer provinces to participate. The federal share of costs were paid out of consolidated revenue but the provinces were free to raise their own share of costs as they saw fit.

It was ten years before the second phase of Health Insurance came into operation through the passage of the federal Medical Care Act. By that time, however, some changes were made in the method of cost-sharing, particularly designed so as to eliminate the need for continued federal auditing and surveyance, a source of irritation to provincial administrators.

As the decade of the Fifties approached its end, new Taxation Agreements were negotiated by the federal government, this time allowing the provinces more flexibility; and including provisions for an equalization payment. Special grants were made available to the Atlantic provinces consistent with the policy of assisting the less economically advanced areas. Both Ontario and Quebec, to a greater or lesser degree, however stood apart from the other provinces in wholly accepting the new formula.

The early years of the Sixties marked the beginning of political and economic change in the status quo which had precariously prevailed during the previous decade. In the political sphere, significant changes had taken place in Quebec. A new government had been elected on a platform of dynamic nationalist, although not separatist, policies, a government which brought greater pressures to bear for a larger share of fiscal power. Its slogan "Maître chez nous" speaks for itself. In the economic sphere, the Federal-Provincial Taxation Agreements which had run for periods of five years each, were not renewed. There had been considerable pressure, not only from Quebec but from other provinces as well, for some readjustments particularly in areas where there were continuing federal interventions over matters considered to be within provincial jurisdiction.

Accordingly, the federal government of the day, consistent with its policy of what it described as "participatory democracy", introduced the Federal-Provincial Fiscal Arrangements Act to replace the old Agreements. Under this legislation tax abatements were offered to those provinces which chose to impose within the province direct taxation within their constitutional

prerogatives in such fields as personal income tax, corporation tax and succession duties. Ontario and Quebec exercised their prerogatives in this regard while British Columbia joined with them in continuing to impose succession duties.

Consistent also with their policy of a more flexible attitude in federal-provincial relations, the federal government also introduced legislation which would permit provinces which chose to do so, to withdraw from joint programs. The terms of the offer were set out in the Established Programs (Interim Arrangements) Act which provided that any province could "opt out" of existing conditional grant programs; in such circumstances, the federal government would make tax abatements giving to the province the same fiscal benefits it would have received through the relevant conditional grant. Obviously, the vast majority of provinces must have felt that, taking a long-term view, they had greater financial security by retaining the existing system, for only Quebec availed itself of the federal offer under the statute which remained operable for a period of only five years.

It was also in the mid-Sixties when a Royal Commission on Health Services, which had been set up by the federal government three years before, submitted

its Report. It reflected the most comprehensive study of the subject which had ever been carried out. Among other things, the Report called for strong federal leadership in setting standards and providing financial assistance for provincially-operated Health Insurance programs. The response of the federal government was not long in coming with the introduction of the Medical Care Act and the establishment of a Health Resources Fund.

Two more social programs were also introduced at that time one of which, the Canada Assistance Plan, was in effect not new but was a major face-lifting of the shared cost program for Unemployment Assistance introduced a decade before. Under the Act, new Agreements were negotiated with the provinces in connection with the sharing of the costs of benefits and, for the first time, the sharing of the costs of provincial administration. Subsequently, the federal government added a new dimension to its Old Age Security program so as to give to recipients entitlement to supplementary financial assistance on a means-test basis. This federal program, the Guaranteed Income Supplement, in effect gave Canada its first Guaranteed Income Program, a concept that was being studied as an alternative to the categorical grants which had grown up since the war and as a means of assuring a social minimum for the working poor.

One of the most far-reaching federal programs of the Sixties, however, was undoubtedly the Canada Pension Plan. The federal government's concern for workers' pensions on retirement was stimulated to a great extent by the failure of private pension plans to cover a larger percentage of the work force; and to ensure continuity of coverage for workers as they changed places of employment in the course of a work career. The federal government's initial proposal to the provinces envisaged pensions in which the funds, contributed by employers and workers, were funded. On the insistence of the provinces, however, a pay-as-you-go formula was eventually adopted, a formula which made it possible for the provinces to utilize their share of the accumulated funds as they became available.

While most of the provinces agreed to go along with the federal role in the area of pensions, Quebec insisted on its constitutional right to establish its own pension plan for workers in that province. After prolonged negotiations which at times appeared to be acrimonious, agreement was reached between the two governments to ensure compatibility in the two plans. The Quebec Pension Plan and the Canada Pension Plan together cover all employed persons in Canada.

To understand Quebec's position at that time it should be recalled that the federal government had already initiated a program of grants in another field allocated by the constitution to the provinces, education. The federal government's active interest in the general field of culture had already been demonstrated some three years before when it had established the Canada Council through which grants were to be provided for the support of so-called cultural projects. Now, under the Federal-Provincial Fiscal Arrangements Act a system of university grants was inaugurated, much to the consternation of Quebec which itself refused to accept and constrained Quebec universities from directly accepting. In order to satisfy the Quebec constitutional position, an agreement was ultimately reached between two levels of government, to reduce Quebec taxation by an amount equivalent to the federal grants.

By the early Seventies Canada's social security system and the financial structure on which it was based, were obviously due for a major review. Experience had been gained in the operation of the programs; and that experience in itself indicated the need for reevaluation. Several of the joint federal-provincial programs had been operating in the absence of any ceilings having been placed on total costs; the

hospital insurance programs and the Canada Assistance Plan were open-ended programs based on a sharing principle. The costly Family Allowances program, which had been in operation for some three decades providing cash allowances on a universal flat-rate basis, was failing to provide a reasonable level of payment to those low-income families in greatest need; while at the same time making non-taxable payments to families in the middle and upper income brackets.

As a first step in the direction of reform, the federal government introduced a new version of family allowances, the Family Income Security Plan (FISP) which would have provided allowances on a sliding scale ensuring to those in the lowest income bracket the largest allowances. At the same time, middle and higher income families would cease to receive any allowance. The proposed legislation was met by considerable public criticism on a number of grounds, but was particularly unpopular with non-working mothers of middle or even higher income families who apparently had come to rely on their monthly cheque, modest as it was, as their main or single source of free money. The proposed legislation died on the Order Paper with the prorogation of Parliament. Only subsequently was the federal government more successful in introducing a revised Family Allowances

Act which retained the concept of universality.

However, the cash allowances which were substantially increased, became taxable thus achieving at least to some extent the original intention of providing greater benefit to low-income families.

Twice during the Seventies changes were also made in the Unemployment Insurance Act. This program was considerably liberalized, extending the entitlement qualifications by reducing the waiting period; and by adding to the exigencies for which benefits were payable. For the first time, unemployment benefits became available in the event of unemployment because of sickness or because of maternity. In effect, Unemployment Insurance became a key income security measure in financial terms. Unforeseen at the time of the change, was the heavy unemployment which grew with the decade; mounting criticism of the costs of the program grew with the growing lines of unemployed. After a relatively short period of experience with the amended law, the federal government once more introduced further amendments, tightening up entitlement qualifications.

The most recent social measure placed on the statute books, the Social Services Act, is not in fact a new program for it replaces certain elements of the Canada Assistance Plan relating to personal social services;

and the whole of Vocational Rehabilitation of the Disabled Persons Act. The federal share of costs in this instance fall within the arrangements recently adopted under the new Federal-Provincial Fiscal Arrangements and Established Programs Financing Act.

This long-titled statute marks the most recent and undoubtedly the most flexible of federal-provincial arrangements for the sharing of revenue and for the appropriate sharing of responsibility with regard to the established programs. New Agreements made under the legislation between the two levels of government, replaces completely the former cost-sharing arrangements for several major costly programs including hospital insurance, medical care and post-secondary education. Federal contributions will take the form of a tax transfer to the provinces, in effect a reduction of federal taxes to allow for an equivalent increase in provincial taxes; as well as cash payments. It is hoped that the new system, besides giving provinces more flexibility in the use of their own funds, will permit the provinces to maintain national objectives and standards of services.

This then is in part the saga of constitutional juggling in relation to social services. It speaks well for all governments that as a nation we have survived the struggle which undoubtedly accompanied these developments.

It may be that having gained so much experience in the art of give-and-take, we may even have gained the wisdom at long last to achieve that goal which was so close to achievement in Victoria only six years ago: a Canadian Constitutional Charter. Not that any constitution, flexible as it may be, will alone solve the inter-governmental problems inherent in any form of federated state; but at least it will give to Canada a framework, a legal basis consistent with a modern democratic forward-looking nation. Furthermore, it will be a written constitution which is wholly Canadian.

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

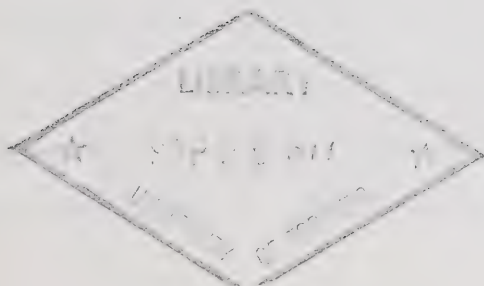
TO THE LABOUR-MANAGEMENT CONFERENCE

HOLIDAY INN

KITCHENER, ONTARIO

SEPTEMBER 22, 1977

9:30 a.m.



First, let me say how much I appreciate your invitation to address this Conference on the Quality of Working Life. By holding such a conference, the organizers and participants are serving not only the interests of workers and employers but also the interests of the nation as a whole, and you are to be commended for your progressiveness.

Almost sixty years ago, a young politician by the name of William Lyon Mackenzie King proclaimed the need for a thorough-going democratization of the work place-for a re-arrangement of the industrial system to provide for a more humane and less enslaving work environment.

Now, in the late 1970's, after decades of reasonably successful experience with traditional industrial relations techniques, the Canadian labour-management relationship is facing new challenges which threaten not only the stability of that relationship but also the stability of the entire Canadian economy. Accordingly, we in Labour Canada, are launching a number of new programs to improve the work scene and the industrial

relationships in general. I am sure that most of you are aware of these new programs, so this morning I will concentrate on only one of them - our proposal for a National Quality of Working Life Centre.

It has become increasingly clear since the late 1960's and early 70's that economic growth is not going to occur at a rate comparable to the growth that occurred in the early and middle sixties. Nor does it seem totally desirable, from my point of view, for it to do so, given the social and environmental consequences that might accompany it. As the Prime Minister cogently stated some time ago:

In the name of economic growth, in the pursuit of comfort and pleasure, we have increased the demands upon our environment and posed new risks and new costs which are often far in excess of the value of the growth or the benefit of the comfort.

Concern has grown, therefore, that not only must we seek an adequate standard of living but also an enriched and fulfilling quality of life. When the energy crisis came upon us in 1973 with the OPEC oil embargo and the four-fold increase in the price of crude oil, the message was brought

home with explosive force - temper the consumption ethic, pursue quality before quantity, do more with less.

Under these circumstances, it was only logical that work itself, its meaning and organization, should also be subject to serious discussion and re-evaluation. Work, as one of the most significant forms of human activity, whether manifested in baking or typing, fishing or writing, is critically and intimately related to all other spheres of our personal lives. As such, an enhancement in the quality of working life is indispensable to the enhancement of the quality of life generally.

At the same time other forces continue to play, giving further impetus to the re-assessment of the organization of the work place: innovations in technology and in management processes that produce more and more mind-numbing tasks; a highly educated work force that is less and less willing to tolerate for any length of time de-humanizing work situations; and, of course, unacceptably high rates of inflation and unemployment and decreased productivity that are forcing decision-makers to look more searchingly at underlying causes.

A further and major contributor to the re-evaluation of our conception of work and the way it is organized is the generally unhappy state of industrial relations. The increased duration of negotiations, the greater use of third-party intervention, too many strikes and lockouts, the rejection rate of tentative agreements by union memberships are all symptoms of a system under stress. As well, increased absenteeism, high turnover, poor morale, and a back-log of unresolved grievances indicate that job satisfaction is not always correlated with large wage increases.

With these several forces the broad outlines of a new concept of work, or if you will, a new work ethic appear to be taking shape. Professor Eric Trist, a pioneer in this field, and now an advisor to Labour Canada, has enumerated what he considers to be the characteristics of the conventional organization of work and the psychological requirements for the development of a new organization of work. In the conventional system the single task job is the basic element into which an organization is engineered and broken down - an analyst

studies these jobs and gets them "right" in the 'one best way' which the worker then must follow. The worker is thus regarded almost as an extension of the machine, another kind of machine part, performing those operations that the machine cannot do. Organizationally, the workers and their single-task jobs are tied together by supervisors who supposedly absorb the uncertainties that arise in the work situation. These supervisors need their supervisors until the whole enterprise is organized in a many-layered hierarchy of formal positions, governed by authoritarian and bureaucratic relationships. Despite the existence of a union, the organization remains free to use any available legal mechanism to enforce compliance. Job fractionation is used to reduce the costs of carrying out work by reducing the skill contribution of the individuals who perform it.

The evolution of this system seems to have been both a cause and effect of our basic concept of work. We have tended to focus on work as being associated with the receipt of a money income. Work in this sense is virtually anything one is paid to do. It need not be meaningful to

the person involved or those around him or her, and it need not even have valuable output. It is almost automatically assumed to be distasteful and payment is assumed to be necessary to elicit the effort involved. Accordingly, work can be regarded as merely an interruption of one's free time. It should be reduced to a minimum and made as efficient as possible. The issue of job satisfaction is considered not in relation to work itself, but in relation to the other objectives in life.

In contrast to all this Professor Trist points to six psychological requirements for the emergence of a new organization of work. First, there is the need for the job to be reasonably demanding in terms other than sheer endurance and to provide some minimum of variety. Second, there is the need to be able to learn on the job and go on learning - in other words, to utilize and develop one's faculties. There is, too, the need for some area of decision-making by the individual worker. Fourth, there is the need for some degree of social support and recognition in the work place - as E.F. Schumacker said in his book, Small Is Beautiful, "to enable him to overcome

his egocentredness by joining with other people in a common task". Fifth, there is the need to be able to relate what one does and produces to one's life. Finally, there is the need to feel that the job leads to some sort of desirable future.

Clearly, in this philosophy of work design, there is a sense that work must not only result in the production of needed goods and services, but must also be personally productive, personally fulfilling and rewarding.

In an attempt to spur practical expression of these principles by member countries, the International Labour Organization at its 1974 Convention, passed a resolution which urged greater efforts to protect workers against physical dangers at the work place, adapt installations and work processes to the physical and mental aptitudes of the workers, and prevent mental stress due to the pace and monotony of work through the redesigning of tasks and the restructuring of the work organization.

At Labour Canada, we have accepted the challenge presented by the I.L.O. We have taken a comprehensive

approach to improving the quality of working life. We are putting forward a program, for discussion and analysis, which includes proposals to facilitate work redesign, protect workers from hazardous conditions and substances, and to encourage greater worker participation in the management of industry and in the determination of their own work environment.

Specifically, my Department has developed a proposal for the establishment of a Quality of Working Life centre, in consultation with the C.L.C., the business community and the Provinces. We are prepared to contribute sufficient funds to staff the Centre and to provide funds for support of some projects. The Centre's primary objectives will be to promote, facilitate and co-ordinate activities aimed at enhancing the quality of working life throughout Canada.

Ideally, the QWL Centre would constitute but one dimension of a larger, multipartite relationship of government, organized labour, business and other important institutional representatives of the community.

The Centre will carry out its mandate under the

direction of a multipartite Council on the Quality of Working Life, which would include representatives of organized labour, the business community, the federal and provincial governments, practitioners of QWL concepts, and representatives from the academic community. It is our hope to decentralize, as much as is feasible, the structure of the Centre, so that provincially sponsored QWL Centres, other work research organizations and interested individuals can all be tapped for advice and suggestions.

In other words, we are committed to a program for improving the quality of working life, not from the top down, but from the bottom up.

Although the ultimate destiny of the QWL Centre will be in the hands of its Council, it is our feeling that the Council should be: first, advisory, rather than regulatory - participation in the Centre's activities must be voluntary; second, national, and not limited to industries within particular federal or provincial jurisdictions; third, compatible with Canadian economic and constitutional realities and traditions and the established processes of collective bargaining; fourth,

available to both the unionized and non-unionized sectors of the labour force; and finally, aimed at achieving both job satisfaction and organizational effectiveness.

For the past several months, officials in my Department have engaged in discussions with trade unionists, business leaders and representatives from the provincial governments, drafted a tentative constitution for the Centre, travelled extensively to study similar organizations in the U.S. and Western Europe, presented conferences on the issue of industrial democracy and the quality of working life, and have generally proceeded to the point where what remains now is some indication of commitment from the provincial governments and the Canadian Labour Congress. It is our fervent hope that the Centre will be in operation early in the new year.

It is encouraging to note that QWL experiments are underway in several Canadian enterprises. They include airlines, mineral processing plants, pulp and paper plants, lumber mills, government agencies, grocery chains, manufacturing firms and oil refineries. In the face of increasing costs, poor morale and heightened labour-

management conflict, successful QWL experiments have been carried out at Steinberg's in Montreal, Alcan Aluminum Products at Kingston, and B.C. Forest Products in Mackenzie, British Columbia. Three experiments have been undertaken in the Public Service of Canada - one in the Department of National Revenue, one in the Department of the Secretary of State and one in Statistics Canada.

In such experiments, not only has job satisfaction increased but productivity as well. By allowing for more shop-floor democracy, employers have found that, indeed, their organization is able to do more with less, to be more effective, and to have more flexibility. In a time of stiff international competition for product markets, such a condition cannot but help to improve our employment prospects and overall economic performance. Hence, the needs of the individual, the organizations, and the nation are served by the implementation of QWL principles.

It is regrettable that proposals to democratize the work place further and to enhance the quality of working life have not met with universal approval among trade unionists and businessmen. Indeed, for a variety of reasons,

some of the harshest criticisms of the QWL approach have come from these two groups.

Managements, long used to ruling the roost in their own terms and vigorously defending the management rights doctrine, are reluctant to yield to further encroachments on their authority. Unionists, on the other hand, tend to regard compensation as the key issue in labour-management relations and to put the emphasis on the nature of the tasks and the structure of the organization which implies that the focus of union action is not directed to what is really important. In addition, some unionists tend to regard QWL simply as a management ploy to squeeze more out of the worker.

Fortunately, however, there are growing numbers within the labour movement and the business community who are genuinely concerned about the issue of work dissatisfaction and alienation and the kinds of problems that could flow from such a situation. It is apparent, too, that more and more labour leaders and managers are questioning the combative, adversarial nature of the labour-management relationship. They have seen its destructive possibilities

and question whether it is possible for the nation to resolve its social and economic problems under such circumstances. Accordingly, they are willing to enter a collaborative relationship and experiment with QWL principles that supplement the formal collective bargaining process. Under this co-operative spirit, work, and the rules governing the work place can become more humane and liberating.

I am personally committed to the principle that the worker has a right to a more humane work place, and to a job that presents at least some opportunity for creativity and which provides some sense of accomplishment. I agree with Irving Bluestone of the United Auto Workers that there is a "contradiction between autocratic rule at the work place and democratic rights in society". I believe, too, that the worker has a right to help determine the safety of his or her work site. We believe in these principles, and while it may take some time for appropriate Canadian structures and processes to evolve, we are determined to pursue them.

Today we all face the necessity of an improved

industrial relationship if Canada is to remain a land that's progressing, socially and economically. With co-operation and goodwill we can make improvements to the work environment.

And the work environment influences, and is influenced by, our attitudes; attitudes that must shift from their traditional adversary base to a more enlightened acceptance of our interdependence.

I know that everyone here has a personal concern and well realizes that we must act on this reality. With your continued interest and co-operation, I am sure we can meet the challenge of putting shared responsibilities in place of confrontation.

CAIL

-S 77

INFORMATION

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.,

MINISTER OF LABOUR

TO

THE OSHAWA CHAMBER OF COMMERCE

GENOSHA HOTEL

OSHAWA, ONTARIO

FRIDAY, OCTOBER 7, 1977

12:00 NOON, EST



We Canadians have our own ways of doing things. And the way we do things is often quite clearly different when placed alongside the experience of other nations. This is true particularly in the area of labour-management relations and in the way they affect our economic decisions.

Our practices and attitudes have grown up in response to the regional, federal, and North American context of Canadian development.

As long as we had plenty of room for economic manouevering; as long as we were part of a rebuilding and expanding industrial world; as long as we enjoyed certain built in advantages of an undamaged and unconstrained economy as we did in the post war 50's and 60's, this was more than adequate.

But the world has been changing rapidly since then. And the questions we should be asking

ourselves now are: Are we responding to these changes? How long can we afford to delay making changes?

I believe we are responding. However, I also believe it is going to be a short-run thing whether we adapt fast enough to avoid serious economic and social risks. If we are going to preserve the freedoms we sometimes jealously guard to run our own affairs our own way, we are at least going to have to try and make sure that all the decision-makers are making their decisions with the best possible information at hand. We are going to have to develop so that instead of always reacting to the other decision-makers we are influencing them before the fact.

New Uncertainties in Decision-Making After Controls

Looking back over the experience thus far in the 1970's, it is clear that our approach to economic decision-making has been deeply affected. We have seen unprecedented and accelerating inflation,

and the most severe and prolonged recession in our post-war years. This has disturbed - made less clear and less certain - our attitudes towards and expectations from the economic system.

You know as well or better than I, the extent to which the approach to investment decision - for expansion, improvement and maintenance - has changed over the course of these years.

Managers, investors and labour - and each of us as consumers - have found that this inflation/recession experience demands a more complex set of questions in making our decisions. How to take into account a rate of inflation that we have not been used to? How to reduce the uncertainty of price behaviour in the future? How to allow for the possibility of substantial changes in the value of the Canadian dollar? And, underlying these concerns are the more fundamental questions of how much these basic parameters of economic decisions can in fact be kept stable and predictable by public policy?

These new circumstances are not, of course, unique to Canadians. They prevail throughout most of the industrialized world.

From my perspective as Minister of Labour, I see this uncertainty most immediately in the context of collective bargaining following controls.

Collective bargaining in Canada, has, I believe, been more profoundly affected by the economic experience of the 1970's than almost anywhere else in the industrialized world.

Reflecting the pluralistic approach we Canadians bring to most of our affairs, in this country we have a very decentralized system of bargaining. We see very little of the industry-wide bargaining that occurs in the United States." We do not have the formalized system of pattern bargaining that exists in some European countries, where one industry is recognized as a wage leader, and others tend to follow suit. We do not have a system of

synchronized bargaining, as in some other European countries where the major contracts all come into negotiation at the same time, yielding a national wage level. In Canada, we quite properly developed our own system reflecting our values and our way of doing things. Here, the essential decisions on wages and labour costs are made at the level of the individual company and the union local. What happens on a economy-wide basis to wages and salaries evolves cumulatively out of thousands of grass-root decisions.

We have been able to bring stability into this decentralized system by opting for longer-term agreements and by evolving a staggered negotiating calendar. By this calendar, only a minority of all collective agreements would come up for negotiation each year; the majority, usually some 60 per cent, would have been settled last year or the year before, and they then stood as standards or base lines against which later bargaining positions could be developed.

There have now been some important changes in the Canadian scene. Foremost has probably been the shift away from long-term contracts. This has been one of the outcomes of inflation, and it's been reinforced by controls. But even before controls union leaders, determined to protect their membership from the unforeseen, were demanding the reopening of contracts and opting for shorter-term agreements.

What this means is that this year and the next, and for a while to come, we will have far more collective bargaining going on than we have so far known. At the same time, much of the stability that has been inherent in a staggered bargaining calendar will have been lost.

We will, in effect, be moving closer to some of the European models in this field, where a national wage level becomes set on an annual basis through large-scale bargaining. But we'll be moving in this direction without the tempering attitudes and institutional arrangements that these other countries have developed to help deal with this critical economic phenomenon.

The change in the process of collective bargaining is the direction of uncertainty in bargaining, uncertainty over the attitudes and expectations that will prevail on both sides of the bargaining table. My concern is that this uncertainty occurs at a time when the costs to us all in terms of incomes, employment and loss of economic confidence could be extraordinarily high.

Critical Nature of Post-Controls Economic Decisions

The substance of collective bargaining when controls end will be enormously important to all of us. It will not only include bargaining about compensation and conditions of work in individual businesses. It will also become decision-making in the private sector about the balance of payments, the future viability of Canadian manufacturing, and the levels of economic growth and employment.

It has always been true, of course, that collective agreements have implications extending beyond the employees and employers immediately involved.

All the separate individual agreements add up together to determine national wage levels. And this is a crucial factor in our international competitive standing, in economic growth and in the possibilities for improved levels of employment.

Why is it that these decisions in the private sector are of such critical dimension now to national economic performance? Two points help to explain. First, how labour costs in this country compare to labour costs in the United States and the rest of the industrialized world is clearly of critical importance to Canadian manufacturing, to employment levels and to the economy as a whole.

But, there are troubles in manufacturing. I don't think I have to stress that we are the least insular of the industrialized economies; that our prosperity is based on trade. The Canadian market is well known and attractive to foreign suppliers. Any time a Canadian producer loses his competitive edge, there are importers only too ready to open the

way for foreign produced goods. Our foreign customers are perfectly prepared to buy elsewhere; as the Japanese have so bluntly stated - they too are businessmen.

Our competitive edge in our own market has been eroding. There are, of course, two sides to this competitive edge. One is the quality of Canadian entrepreneurial and management drive, and Canadian investment in expansion and improvement. The other is the national wage level - which is both affected by and affects wages in manufacturing.

My second point concerns wages and the significance of the way they have moved in Canada. Here, I want to take a particular perspective and recall, first of all, that wages are costs for the employer and income for the employee.

"Real wages" are wages adjusted for the effects of inflation. They are one measure of how standards of living have changed. When we look at how real wages - employee income - have moved in

this country over the 1970's, there has been a substantial improvement over earlier experience. Depending on which measurements are used, the improvement, in real terms, is in the order of 15 to 25 per cent.

From the cost side, this is worrisome. But from the income side, this is surely what the economic game is mainly about. After all, most of us are wage earners. We are interested in seeing our standard of living progressively improve. And it is that improvement in standards of living which provides the expanding markets for business.

Compared to the United States, our performance in maintaining and improving standards of living has been much better. In the U.S. real wages actually decreased over their severe recession of 1974-75. They are now moving up again, but from a lower starting point than in Canada, where real wages did not fall and the recession was much less severe.

I take it as a mark of successful Canadian economic policy that Canada was able to avoid a fall in standards of living, such as occurred in the U.S. It kept consumer spending up and kept business operating.

But it also means that now, as we move out of the recession, U.S. manufacturers are at least temporarily in a better position to compete in the Canadian market. The same is true of Japanese and German manufacturers. Those countries also followed much the same kind of wage experience as the U.S., but are now moving up.

So this is my perspective: we in Canada have been able to maintain and even improve our real incomes over the recession. The United States, and some of the other major industrialized countries, suffered the recession more severely than we did. Because of this, their products have gained a cost-advantage in the Canadian market, however temporarily that maybe.

In the light of this perspective I do not think it is very helpful now to debate whether Canadian labour made "excessive" wage gains or whether federal fiscal and monetary policy ought to have allowed a more damaging recession here. What this perspective suggests to me is that we need to exercise great care in our future private and public economic decision-making so as to hold on to both the income gains we made over these years and to restore our competitive edge in the shortest possible time.

This is a very fine line to walk. And it is here that the uncertainty which will attend collective bargaining after controls enters as a big risk.

Need for a Change in Attitudes

Collective bargaining is a twin-engined affair. So is, I may add, pay policy in a non-unionized business, although less obviously so.

One of the engines is economic. Labour is not usually unreasonable in its bargaining, though it may seem otherwise in the heat of the moment. Labour has little interest in driving employers out of business. But their wage expectations do take into account, to the best of their ability, price and profit expectations. If it were otherwise, I suggest we would do very little business in unionized enterprises in this country. This engine has as its main perspective, wages as labour costs.

The other engine is equity, and here the main perspective is that of wages as income. By equity I means a sense of fair play. The sense on the part of the employee that what he is being paid in his particular situation bears a fair relationship to what he does and to what others are being paid. I would not want to imply that this sense of fair relationship is never exaggerated. But it seems self-evident, that if the sense of fair play is missing, the unionized employee will express himself by more aggressive bargaining. The non-unionized employee, who does not have this outlet, expresses

himself through high attrition rates and low morale.

The key to effective wage setting is to keep these engines in close synchronization. My concern for the immediate future is that, with the change that has taken place on the collective bargaining scene, we are going to have difficulty setting the equity engine at the right speed. And if we cannot find the right speed, we risk either a high level of industrial tension or not being able to walk that fine line which we must in order to restore our competitive edge.

What can be done to minimize this risk? I don't think simple "toughness" on the part of employers is the answer, although hard bargaining on both sides is to be expected. "Toughness" is not really conducive to developing a sense of fair play.

What I do think can work is a change in attitude towards decision-making. I think this can tap into good Canadian common sense.

As it is now, we all play our cards pretty close to the chest. The change I have in mind is more openness towards each other in decision-making, less rhetoric, less knee-jerk reaction to the other's position. I advocate this for government, as well as for business and labour.

This is an increasingly complex world in which we live. We need greater clarity in the public understanding of how economic events are moving. We need more sharing in a common perception of how economic constraints are operating on all of us collectively...altogether, a more open and believable communication between us. This kind of leadership can properly come, in the first instance, from government. But this is not likely to work with anything like the speed necessary, unless it is shared by unions and by business, and occurs on two principal planes.

One is at the national plane - at the level of the overall economy. This is the purpose of what is called a new forum for consultation in the Government's Discussion Paper on Decontrol and Post-Controls Issues, (Agenda for Cooperation). This concept, of re-uniting business, labour, government and other economic interest groups in an open public dialogue about the economic situation and policies to meet it, has been questioned in a number of quarters. Some have seen it as a kind of "corporatism"; that is, decision-making by the most powerful groups in the system which would infringe on the responsibilities of Parliament, and cut out less powerful interests. Others have seen it as an attempt on the part of government to co-opt either business or labour to reduce the voice of opposition, for its own narrow political ends. I think it unfortunate, in the light of these doubts about the idea, that we in government have not made a greater effort to disseminate our view on this.

The Government's views on the Forum are quite carefully articulated in the Agenda for Cooperation, yet the need for it may still be a little understated. At one point in the Agenda for Cooperation it says this about the Forum:

"it is not expected a consensus will necessarily emerge...Indeed, to strive for a consensus would imply an effort to bind participants to particular courses of action" (That is not the purpose) - "However, the range of views about what is possible, and what is desirable could be expected to narrow, as discussions proceed and each participant gains a better understanding of the views of others."

It is precisely this: the development of mutual understanding and the narrowing of the range of views about the possible which I see as the key to dealing with the sense of fair play in collective bargaining and in the economy-at-large. In the final

analysis, this is the development through open exchange, of a widely shared confidence that we are working towards common goals, not conflicting goals.

I imagine, at this juncture, you might wish to know how I feel about the discussions that have so far taken place between the Government and the CLC and some of the leaders of the business community. I think that overall they have had positive effects. They have established a sound base for future understanding. There is no doubt there has been a real set-back as a result of the CLC's rejection of the government's last proposal on decontrols.

It is my view, however, that this set-back is a temporary one and I find it ironic that the controls program which provided the initial stimulus to bring us together is now what keeps us apart.

The other plane on which I see a needed change in attitude is that of the individual business and its union locals. This is as important as what happens at the larger national level. While we may be able to develop at the national level a more clear, common perception of what is reasonable for the Canadian economy to deliver, what we can all reasonably expect, what would be fair on a broad

average basis, it will still be necessary to translate that sense of fairness into specifics.

I have no easy prescriptions as to how to bring about this change. In essence, it is the very human question of the quality of our relations with each other. It will have to be approached differently in different contexts. But however this may be arranged, it will require one fundamental common change in all cases: some ongoing process of consultation between labour and management through which employees can gain a better understanding of the economic realities facing their employer, and through which the employer can develop a more empathetic sense of employees' aspirations. I do not see this as replacing collective bargaining in any way, but as a positive, and indeed an imperative, reinforcement to bargaining.

Nor do I have any pet plan as to how such consultation arrangements at the local level could best be structured. There is growing and hopeful

evidence among the best local employers and unions that they know best how to make it work under the specific conditions and history of the locale. I would expect Oshawa to be one of those areas where there is such evidence in abundance.

Naturally there are risks involved for anyone who tries it. But are such risks really all that overwhelming when compared to those of refusing to change? We know that it is being tried. We know that it can work if the will - indeed, the good will - is there.

In the face of the very crucial decisions that will be made in collective bargaining in the future, those who are directly engaged in this process ought to consider, in their own self-interest and in the interests of society at large, the need for a change in the attitudes they bring to their decision-making. In my view, the risks attached to not doing so are, cumulatively, more than Canada can afford.

Really, we no longer have a choice.

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INFORMATION

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO P.C., M.P.,

MINISTER OF LABOUR

TO A MEETING OF THE

WOMEN'S CANADIAN CLUB OF TORONTO

227 BLOOR STREET EAST

TORONTO, ONTARIO

2:00 P.M.

OCTOBER 12, 1977



It's an honour for me to address this distinguished club. My colleague, Sylva Gelber, spoke to you just a few weeks ago, and I must say how pleased I am that the Labour portfolio finds itself twice the subject of your interest and consideration in so short a time.

I would like to speak to you today about some of the changes I am trying to bring about, in collaboration with my officials and in consultation with the labour movement, with industry and business, and with the provinces, for the improvement of labour-management relations in this country. Mrs. Bond has told me that you would like to have an opportunity to engage in a discussion, and I will be pleased to do so.

The changes we want to bring about to improve labour-management relations are prompted by our experience in the early 1970's of the worst, or nearly the worst, labour strife among all the industrial countries. This record has improved in the last few months, but we cannot afford to sit by and piously hope that our industries and public services will not again be subject to strikes and

lockouts on the drastic scale of a year or two ago. If we are to avoid a return to the costly losses in man-days, and the serious disruptions of public services, we must first experience a profound change in attitudes on the part of management and labour, and on the part of the general public. This is not something which governments can legislate.

You might think that I'm whistling in the wind. How can you change people's attitudes? How can you get solidly-based and voluntary institutions, such as business corporations and trade unions, to consider a new approach? Well, I'm not disheartened. What I'm asking is in their self-interest, as well as in the interest of Canadians at large.

First, let's consider the attitude of the general public. I think it's fair to suggest that Canadians don't think too much or too often about collective bargaining. Collective bargaining is something those trade unions and those personnel people engage in. We don't give it much thought until a particular situation breaks down and there is a work stoppage which causes some inconvenience

(or worse) to oneself, or one's family, or one's business or community. Then we holler to the government to get into the fray and lay on a settlement -- preferably one that won't let the whole messy business happen again.

Another aspect of the public attitude, I think you will agree, is that trade unions are too powerful. Therefore, government should do something to curb union power and bring them down to size.

I don't agree with this assessment. I think the opposite is the case. There are some trade unions in Canada which are small in membership and which are in a position to exert a disproportionate degree of influence in a bargaining situation. The labour movement is aware of this imbalance and agrees that it is not in the best interest of other organized workers that some small units should be in a position to bring a whole industry down. But these are the exceptions. For the most part, the labour movement is highly decentralized and functionally weak.

While Canadians who are non-members generally have demonstrated at best a cool attitude toward trade

unions, we have accepted as legitimate the organization and self-policing of professionals, including lawyers, doctors and accountants. And para-professionals, who disdain becoming part of the trade union movement -- I am thinking of teachers and nurses, for example -- have adopted the practices and tactics of trade unions in the pursuit of the occupational goals. We tend to accept without question the codes of practice, the hiring hall mechanisms, the fee setting, and the professional accountability on the part of lawyers and doctors. But for the most part we have not accepted the legitimate role of a trade union to represent its member workers. Yet when we look around and compare our industrial relations performance with that of other countries, the countries we most admire and want to emulate are those which have a free, strong and effective trade union movement.

We could also examine the attitudes of labour and management at great length. But I will add only this: labour and management acknowledge the fact that they are facing a crisis of confidence in our labour relations system. They acknowledge the public's disapproval of the high incidence of strikes, lockouts and other forms of industrial

distemper. The tensions inherent in our adversarial labour-management system has clearly escalated to unacceptable levels.

What are the alternatives? Workers and their trade unions would legitimately resist the substitution of what we have now, warts and all, for a system under which the major decisions affecting wages and working conditions were decided unilaterally by the employer. And labour and management -- and in this they should be supported by the rest of the general public -- do not want to live under a system where these decisions would be made unilaterally by government.

There must be a better way. We must find this better way, by working together.

The reasons for working together have been made more compelling by the economic situation, which Canada faces along with the rest of the industrialized world.

As we move out of the current recession, it's highly likely that the economy will adjust to a slower growth path than we experienced in the 1960's and early 70's.

This would be a common occurrence in most of the industrialized countries, but its impact would be felt most in Canada and the United States.

A lower growth rate would mean that real incomes would increase less rapidly than we have become used to. If the expectations of Canadians did not follow suit, there would be a recurrence of strong inflationary pressures. This would also make it more difficult to bring down the rate of unemployment from its present unacceptable levels.

In the postwar period Canadians have had little experience in developing a national consensus on broad economic policy questions. This may well be on account of our favourable economic circumstances in this period. When we are on a high growth path, the options tend to be more open. There is a high degree of upward mobility and job switching. Many create their own opportunities. But when the situation becomes generally less favourable, opportunities tighten up and social tensions increase.

Our balance of payments has moved into a more precarious position over the last ten years. Is it that we are borrowing too much abroad, or is it that our

purchases abroad are too many and too expensive? In any case, the very large deficit that has developed in our trade in manufactured goods now appears as critical. This is not so much a matter of not being able to export, as of not being able to withstand import competition.

All of this heightens the importance of collective bargaining. We must all be concerned about the impact of collective bargaining as we come out of the wage and price controls program. The workers insist, as they must, on a fair return for their work. Management lives constantly under the constraint of being competitive. But will the path chosen in the collective bargaining process be at odds with the constraints of international competition? At the same time, strongly divergent views could develop between unions and management as to the appropriate path to be followed. If such differences were to result in a high level of industrial strife, it would be extremely damaging to Canada's international trade.

Our current situation, and the difficult situation we can anticipate as the industrial world continues its slow recovery, make it all the more important for us to

develop new mechanisms for building a national consensus on economic issues. Up to now we have relied almost exclusively on Parliament as our national forum. But now we must look to new forums which will bring together the major decision makers in the economy and complement the consensus-building of Parliament. Such forums would not replace or undermine the work of Parliament, but would add an important dimension to it through shared responsibility.

Some progress has been made in this direction over the last year and a half. I think it is correct to say that the federal government has instituted a higher degree of consultation with the business community, with the organized labour community, and with business and labour together over the last year and a half than at any time in our history. A major objective of this consultation was to get acceptance by business and labour of their membership in a national multipartite consultative forum, where business and labour would meet with some other major interest groups such as agriculture and consumers and consult with government on the major issues of the economy.

Unfortunately from my point of view, the government's decontrol package which included the multi-partite forum was rejected by the labour movement. But I am confident that the rejection is temporary. When the controls are lifted, I believe the labour movement as well as the business community will be prepared to give such a forum their serious consideration.

Quite obviously, for labour and business to sit around the ~~same~~ table and discuss economic and social issues with government will require a drastic change in attitudes. It will require a decision on the part of both labour and business to forego what I perceive to be their excessive commitment to the adversary system. I believe labour and management will agree to new approaches to collective bargaining because it is in their common interest to avoid strife to the greatest possible degree and to increase the efficiency of Canadian industry and our public services.

Madame President, this is not wishful thinking on my part. Members of this Women's Canadian Club are well aware of the changes in attitude which have accelerated the improvement of women in the labour force over the last decade or so. Improvements to human rights legislation

have played their part. Equal educational opportunities for women have made an impact. Changes in life-style have made a contribution. But I suggest it was changing attitudes -- on the part of young women, of their parents, of their teachers, and finally their employers which have been fundamental to all the improvements in the status of women.

Consider the progress that has been made in participation by women in the labour force. In the ten years from 1965 to 1975, participation by adult women increased from 31 per cent to 44 per cent. That represents an overall increase of 79 per cent over the ten years.

In the 20 to 24-year age group, participation increased from 52 per cent to 66 per cent; in the 25 to 34-year group it was up from 31 to 52 per cent; and in the 35 to 44-year group it grew from 34 to 51 per cent.

Women have not received the recognition in the job market, however, which their training and talents deserve. This represents a loss to women themselves, to the enterprises they work for, and to Canada. I think we have to ask serious questions when the president of a

chartered bank declares the bank can't place a woman on its board of directors because it can't find a competent candidate. Who's to blame? And is he right?

The coming decade should see a vast improvement in career openings for women. Young women are accepting their responsibility and preparing themselves in the professions and skilled trades -- not yet in satisfactory percentages but appreciably better than in the past. In agriculture, a field in which few women have sought technical or professional competence, the percentage of women at the undergraduate level increased by nearly 200 per cent -- from 8.5 to 23.4 per cent of enrollments -- in the five years ending in 1974. Business administration is still a formidable challenge for women entrants, but enrollments at the university level have increased threefold to 15 per cent of students as of 1974 (our latest statistics).

If the world of business still looks bleak -- to women careerists, trade unions are probably not much better.

Trade unions have offered a variety of career opportunities to its members, but until recently they have remained essentially bastions of male chauvinism. Shirley Carr, an executive vice president of the Canadian Labour Congress; Grace Hartman, President of the Canadian Union of Public Employees; and Mary Lennox, President of Communications Union Canada have all demonstrated that women can provide exemplary leadership to their organizations.

It is essential that some of Canada's best young people prepare themselves for careers in industrial relations, whether they choose to represent management or labour at the bargaining table and on the shop floor.

This, too, will require a change in attitudes. For too long, the key jobs in the enterprise have been rated in some kind of tribal pecking order, when a more appropriate configuration would have been a circle of equals. The "glamour" jobs which the status seekers vied for were in marketing. But seldom has the way to the top been won by the industrial relations expert. Canada needs the best possible designers, production managers and salesmen. But it also needs the men and women who can develop and maintain good industrial relations.

This tendency to relegate industrial relations to an inferior status was given a rude shock by the wave of industrial unrest which swept in the last few years. The federal government, as well as most of the provincial governments, came under strong public pressure to intervene in labour-management disputes, and even to institute compulsory settlements. These pressures reached the stage where the essential freedoms enjoyed by both labour and management to work out their own problems were seriously threatened.

Together with my officials, and in frequent consultation with our provincial counterparts, we have been devising a number of measures which are aimed at improving those aspects of our labour-management system that have been giving the most trouble. We have retained our faith in collective bargaining, but we want to work out new approaches that will help the system work more smoothly.

I would like to mention just a few of these proposals by way of illustration.

First, we recently completed an agreement with the Canadian Labour Congress for government support of labour education. The rationale for this program, from the government's point of view, is the public interest. We can't have good labour-management relations unless the trade union movement has a cadre of trained leaders who can represent workers' interests in all aspects of their relationship with management.

The trade unions have only the resources of their membership dues to meet all their commitments. As the demands of industrial relations increase -- and they are getting more complicated with each passing year -- the need for additional trained leaders and upgraded training also increases.

The public supports the education of management personnel through grants to universities, and through tax exemptions for corporate seminars, but precious little has been done for the trade union sector. I expect to be in a position to negotiate similar agreements with other trade union central organizations later this year.

Second, we have undertaken a study within Labour Canada on the potential for worker sabbaticals. Paid educational leave was adopted as a Convention of the International Labour Organization in 1974. It was endorsed by the Canadian Labour Congress in 1976. Paid leave is a benefit enjoyed so far in Canada by some professionals such as teachers and doctors. We want to find out whether we can work out a new approach to paid educational leave -- possibly in conjunction with the unemployment insurance program -- so that a greater number of Canadian workers may become eligible for educational opportunities that would give them a second chance at a better job or a new career.

Third, we are preparing to institute some national institutes which will promote the well-being of workers without placing additional strains on the enterprise. In fact, they are aimed at making the job a better place to work, and more productive. These include:

A Quality of Work Life Centre, with participation of the labour movement, management and academics. I envisage a national centre in collaboration with the provinces, and

regional centres which will make the work of the national centre more accessible to workers and enterprises in all parts of the country.

The centre will gather and publish information on experiments in improved job satisfaction and worker participation.

The National Occupational Safety and Health Centre is being developed in co-operation with the provinces as a research and technical advisory agency. It will develop improved safety measures and standards, test potentially dangerous materials and industrial processes, and provide technical advice to employers and trade unions. We feel such a national centre is a prerequisite to improving our industrial relations system.

And the Collective Bargaining Information Centre. Both labour and management have expressed their dissatisfaction with the data which are available for collective bargaining purposes. They have said the information isn't adequate, timely or reliable; or it's biased against them. There is general agreement that a single agency set up for the purpose of gathering and collating economic and industrial

relations data could make reports which would be acceptable to both parties.

All of these centres -- the QWL Centre, the National Occupational Safety and Health Centre, and the Collective Bargaining Information Centre -- would be run by semi-autonomous tripartite boards. The board members would be chosen by labour and management from their own ranks, and government would supply secretarial and administrative support services.

I have great confidence that this tripartite approach, with labour and management working as equal partners with government, will go a long way toward removing the most abrasive aspects of the adversarial system that underlies collective bargaining. These and other programs which we could discuss here in greater detail are aimed at making the Canadian work environment better, safer, and more productive for all of us.

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NOTES FOR AN ADDRESS BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

ANNUAL MEETING OF THE

INDUSTRIAL RELATIONS SECTION

OF THE

CANADIAN PULP AND PAPER ASSOCIATION

VICTORIA, B.C.

TUESDAY, OCTOBER 25, 1977

9:30 AM PST



This conference is being held at a time when Canada is in a difficult economic situation, and when we are all being exhorted to strengthen the bonds of national unity. I believe that conferences such as this one, and the efforts which your association, along with the trade unions in your industry are putting forth to improve your industrial relations and your competitive position, are making a contribution both to the economic strength and the unity of this country.

I am pleased to join in your discussion on new initiatives in labour-management relations. I am aware of some of the good work that is being done in the provincial jurisdiction, and I am sure that their programs will be examined in your sessions. I intend to restrict my remarks to some of the new programs which are my responsibility in the federal jurisdiction. I have referred to these programs previously as the 14-points.

But first let me repeat the challenge which my colleague, the Minister of Finance, gave to Parliament

and all Canadians last week when he called on all of us to rededicate ourselves to the building of a stronger, more prosperous and more united country.

Yes, we are in a serious economic situation. The rate of inflation has been brought down over the last two years, but we still have a long way to go. The output of our economy has not risen in the last few months as we had expected. We have been able to create 250,000 new jobs over the last year, but the number of Canadians wanting a job has risen even faster. Along with my colleagues in government, I will not be satisfied until every Canadian who wants to work has a job. In addition, our balance of payments situation is unsatisfactory. We will have a trade surplus of more than \$2 billion this year, but this surplus will be offset by deficits in our tourist trade and deficits on interest, dividends and other services.

These are serious problems, but we have faced serious times before. We must all deal with these problems realistically and work together to find the

solutions. I believe that Canadians are in pretty unanimous agreement on the problems. We have lots of experts who can always tell us what the problems are. What we must do now is pitch in with new approaches, new initiatives, and apply the enterprise and determination which we have in such abundance in this country.

NEW INITIATIVES FOR JUSTICE IN THE WORKPLACE

In a few days I will be presenting to Parliament for first reading a controversial package of initiatives which I believe will go a long way toward improving justice on the job for all workers in the federal jurisdiction. These will be proposals for amending the Canada Labour Code, which will upgrade safety provisions, enhance labour standards and facilitate the organization of the unorganized. Many of the proposals will be of particular benefit to unorganized workers, who make up about half of the 500,000 employees in the federal jurisdiction.

I will be in a position to give greater detail on these initiatives in second reading in the House of

Commons, but I can give you some of our thinking which prompted the drafting of these proposals and a summary of some of the main points.

I said the initiatives will be controversial because some employers and employer groups have already exhibited a knee-jerk reaction against them, and the labour movement, or some spokesmen of the labour movement, have expressed their opposition to government doing anything for unorganized workers which would make trade unions less attractive as the champion of workers' rights. I can understand the scepticism of those management and labour leaders who have demonstrated these initial reactions, but I hope that they will be prepared to give the proposals a trial before adopting any fixed position.

When you consider these new protections - I am proposing, you must bear in mind that only 50 per cent of workers in the federal jurisdiction are organized and have a trade union to protect their interests. For the total labour force, the basic rights which are now

provided for unorganized workers under the Canada Labour Code include the following:

(1) Employees in an industry under federal jurisdiction may work a standard week of 40 hours; and up to eight hours more at overtime rates. The employer cannot impose overtime beyond the 40 and eight unless he first obtains a permit, or in an emergency.

(2) Employees must be paid a minimum wage, which is periodically adjusted by the Federal government.

(3) They must be given an annual vacation with pay of at least two weeks after the first year of employment.

(4) They are entitled to eight general holidays a year.

(5) In the event of termination, they must be given ample notice -- up to 16 weeks if a large number are being terminated. Employees with five or more years of service are entitled to severance pay amounting to two days' wages for each year completed.

(6) Women are protected by two provisions -- one based on the equal pay for work of equal value principle, and the other giving entitlement to 17 weeks' maternity leave after the first year of employment.

(7) Employers are obliged to make sure that employees are not subjected to working conditions that would endanger their health and safety.

(8) Employers are prohibited from firing employees because part of their wages has been garnisheed.

The new initiatives which I will soon place before Parliament will extend to all workers who come under the Canada Labour Code the right to up to three days' paid bereavement leave in the event of a death in the immediate family; protection against dismissal in the event of absence for a period of up to 12 weeks because of sickness or injury; protection for women against dismissal on account of pregnancy for those with less than one year of service; three weeks' paid vacation after six years of service; an additional holiday with pay; and the prompt regular payment of wages.

I also want to assure that the process of collective bargaining is facilitated and improved through the union movement. One of the new initiatives would empower the Canada Labour Relations Board to impose a first collective agreement in the event the parties could not arrive at a settlement in a reasonable time. Initially, similar legislation in British Columbia received considerable flak from the employer community, but I understand the provision is now a respected part of the provincial code.

The controversial proposals I mentioned a moment ago -- proposals I hope will have the respect and support of both labour and management -- would establish the right to refuse work which the employee believes to be unsafe or unhealthy; and the right of appeal against a dismissal the employee feels was unjust.

I do not anticipate, as some management representatives have suggested, that these rights will be invoked frivolously or capriciously. Nor are they intended to interfere with the employers' right to discharge an employee for incompetence, or to lay off workers for lack of work.

At the same time I do not expect serious opposition from the trade unions. The labour movement in this country has a long tradition of advancing the interests of organized and unorganized workers alike. Government action in establishing the minimum wage, hours of work, vacations with pay and other standards did not thwart the efforts of trade unions to organize. It is equally important for the unorganized to have now the basic right of protection against unjust dismissal.

NEW INITIATIVES FOR IMPROVING THE WORK ENVIRONMENT

A second group of programs being developed by my Department, in consultation with the provinces, are the initiatives aimed at improving the work environment and increasing job satisfaction. These initiatives reflect the expectations of the young, better-educated members of the labour force who expect a working environment more in keeping with the high ideals they have brought to the job from home and school, and who are not prepared to accept the autocratic forms of management and the rigid work rules and structures of the previous generation.

To stimulate the development of new approaches in improving the work environment, we are proposing the establishment of national centres which would bring labour, management and government together in a creative, tripartite relationship. One such national centre would be the proposed Quality of Working Life Centre. Another is the proposed National Occupational Health and Safety Institute. We want to establish these centres without much, if any, addition to the federal bureaucracy.

I must be frank with you on the Quality of Working Life Centre. The name of this centre bothers some of my own officials, particularly those who have come out of the trade union movement. It also bothers these trade union veterans when their colleagues who are working on the formulation of the centre talk about experiments in industrial democracy, or increasing job satisfaction. I don't see any reason for getting hung up on buzz words like quality of working life or industrial democracy. But I think we have to develop an awareness of new expectations for a greater voice,

and a greater share of power, on the part of workers in the determination of their working conditions and job security.

When we talk about industrial democracy, I have no trouble in supporting the view that in the North American context collective bargaining represents our primary experience in industrial democracy. Collective bargaining has been the principal instrument for breaking down autocratic industrial rule and giving workers a share of power, with management, in the determination of wages and working conditions.

We must also be aware that in some of the countries which have a free and strong trade union movement, and which have experienced less industrial strife and a better economic performance than Canada in some recent years, there is a growing willingness to complement collective bargaining with new forms of industrial democracy. I am thinking in particular of worker representation on the board of directors.

I believe that the position of the Canadian

Labour Congress on worker participation on the board is strictly negative. There is also little, if any, encouragement for the idea on the part of management. The CLC has examined the concept and determined, quite correctly, that representation on the board in an organized shop would have to be performed by a union member, and that this representation would inevitably conflict with the objectives of the union in collective bargaining. Faced with that choice, the labour movement rejected any thought of pursuing the matters.

If you examine what's happening elsewhere, as my officials are doing, you find that trade unions are ready to experiment. The labour movement of the United Kingdom, which five or six years ago opposed representation on the board for the same reasons as the CLC, has now come around to the point where some of the major British unions are in favour of the idea. They have not compromised their faith in collective bargaining, and they don't regard representation and collective bargaining as mutually exclusive. They see representation as a means of supplementing and enriching collective bargaining. In

recent years they have become more aware that collective bargaining can't deal with all the problems in the work relationship, and that collective bargaining frequently attempts to deal with problems after the major decisions have been made. Collective bargaining, for example, does not usually, or always, deal with corporate investment plans, mergers, acquisitions, plant transfers, lay-offs and other decisions that affect job security.

I believe this is a concept which has great potential in the Canadian context, and I am prepared to do what I can to encourage some experimentation in one or two of the federal Crown corporations.

I envisage the Quality of Working Life Centre as an agency which would gather and publish information on all the experiments that are already being conducted in this country, and in other countries, in the broad area of industrial democracy, humanizing work and increasing job satisfaction. It would be complemented by associated provincial centres. Once again, such centres

would not require the creation of a big expensive bureaucracy.

I could describe in comparable terms the potential for the National Occupational Health and Safety Institute. I envisage the institute as a centre for co-ordinating health and safety research in federal and provincial jurisdictions, collating information, publishing reports, developing improved safety standards and codes, and providing technical services and advice to employers, trade unions and governments.

For these centres to be effective and establish the maximum credibility, they must not be seen as strictly government agencies. They should be run by a tripartite board, with equal representation by management and labour along with government. I expect that I will be in a position to introduce legislation for establishing the institute by the end of this year, or early next year.

INITIATIVES FOR IMPROVING COLLECTIVE BARGAINING

Another group of programs in the 14 points are

aimed at improving the collective bargaining process.

The federal government recognizes collective bargaining as part of our democratic system. It's the best system that's been devised for regulating worker and employer demands, but it's not perfect. Along with a lot of others, we're concerned about finding some new approaches that will help the system work better, more smoothly, and with fewer breakdowns.

Some of the problems that beset collective bargaining are the result of inflexibility and outdated structures. Others are related to delays in the system, such as delays in processing certification applications and delays in processing grievances. Still others are related to a resort to legal procedures which brings great benefit to the lawyers but causes severe frustration to the parties.

In dealing with some of the structural problems, we are encouraging a trend toward coalition or industry-wide bargaining. Some progress has been made toward this objective in grain-handling, and we would like to

work toward a rationalization of collective bargaining in air transportation.

For improving the bargaining process, there's a number of proposals coming forward which will eliminate many of the current delays. We are, for example, proposing to: appoint additional vice-chairmen of the Canada Labour Relations Board, in order to speed up the handling of certification applications and complaints of unfair practices; grant interim certificates, and impose first agreements, where necessary; allow unions to merge, or regroup, for purposes of certification; give the CLRB new powers for enforcing decisions relating to illegal strikes and lockouts; and establish wider ministerial powers for appointing arbitrators and setting time limits for filing of awards.

Finally, we are looking at ways for improving federal conciliation, mediation and arbitration services so as to ensure an adequate supply of these specialists.

CONCLUSION

The initiatives which I have very briefly

outlined must not be left to government alone. If they are to be effective, they must have the participation of labour and management in their development and implementation.

The amendments to the Canada Labour Code which are intended to establish a greater measure of justice on the job, will also prevent us from having first-and second-class workers -- first-class workers who enjoy the protections of collective agreements, and under-privileged workers who have inferior job status and protection.

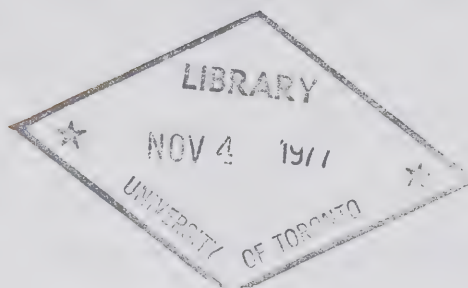
The programs for improving the work environment are recognition that the protection of human values, as well as economic and technological considerations, are important in the work place.

And the initiatives for improving collective bargaining are aimed at removing some of the hazards that have undermined the efficiency of the system in recent years.

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INFORMATION

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

GRADUATES OF CERTIFICATE COURSE

AT MCMASTER UNIVERSITY

HAMILTON, ONTARIO

OCTOBER 28, 1977

8:30 P.M.

There are many controversies in education. Arguments about subject matter, about methods and costs all grab the headlines from time to time.

But in spite of the controversies, it is hard to think of any development that has contributed more to the wellbeing and wealth of Canadians than the fact that a good education has become widely available to all Canadian children and young people.

Education has enabled us to keep up with and often lead the world in inventing, producing and using the technology which gives us everything from television sets and pace-makers to heat and power. It has been one of the great contributors to our wealth enabling us to overcome some of the handicaps of small population, distance and climate.

It is interesting to note for example, that the vast array of both frivolous and useful products we enjoy are manufactured by the same percentage of population as was engaged in producing far fewer and far more limited range of products in 1900. The impact of agriculture, which

at the turn of the century employed about a third of Canadians and today employs about five percent, has been even more dramatic.

At the same time education has played a tremendous part in making this society more just, more humane and more democratic.

Until recently most of our educational thinking and effort has been aimed towards youth. It has been geared to equipping people with skills and knowledge before they enter the work force. It has been aimed at providing a better future with more choice for our children.

This is both understandable and praiseworthy. I think people take great pride and comfort in the betterment of their children.

Until relatively recently, changing educational standards did not have an immediate or dramatic impact on the lives of those already in the work force. Changes were more in terms of quality and quantity rather than in kind. Mathematics remained mathematics. It was still done with a pencil and notebook. Today it is done with a pocket calculator and computer punch cards. Skills acquired in school and through experience retained a degree of currency for longer periods of time.

While the spread of public education has been a long and ongoing phenomenon in Canada, it is worth remembering that the great surge has occurred in the last twenty years.

In the ten years from 1951 to 1961 for example, the number of Canadians with only secondary school education or less fell by about three percent. In the next decade it fell almost three times as fast and the pace has continued to mount.

In twenty years we have seen the progress that it used to take us ten years to accomplish compressed into three.

This was the period that produced the slogans of the youth generation. Slogans like you can't trust anyone over 30.

A number of conclusions come to mind besides the fact that there may be an awful lot of untrustworthy people in this room.

One is that there are a great many Canadians around who have missed out on opportunities that have become available over the last decade or so.

Another is that along with the recognized benefits it has brought, the education explosion may well be responsible for some growing social distortions in our society.

A recent report by the non-profit organization World Literacy of Canada reported for example, that there are some four and a half million Canadians with less than grade nine schooling and no other training. It also explodes the myth that these people classified as functionally illiterate are immigrants or very old. More than 30 percent were between the ages of 25 and 45; Three out of four were born in Canada.

If education were only a matter of a few more years of history and algebra the consequences for these people might not be too great. But we all know education is much more than that today. Most activities require some specialized training, so the job of continuing education is immense, vital and immediate.

A youth-oriented educational system is no longer sufficient. The next major development in education -- indeed we are seeing here today proof that it is underway -- will be towards making education increasingly available to those already in the work force.

If the last change was the end of education as the preserve of the privileged and wealthy, the next change will be to make it less exclusively the preserve of the young.

Now I'd like to turn to a larger and significant group of Canadians for whom continuing education is of extreme importance. These are the Canadians in the labour movement.

I'd also like to try and outline why I think that developments in the labour movement have meaning for every Canadian whether he belongs to a union, is self employed or works for management.

More than one of every four working Canadians is a union member. That's nearly three million Canadians with families. In the last decade the number of trade union members has increased by 65 percent. More and more of us are potential union members as the complexities and sophistication of business increase and the percentage of self employed people shrinks. So we are talking about a very large and growing number of Canadians. These are Canadians who are also minor hockey coaches, consumers and homeowners. They have as much to offer the community as anyone.

In terms of economic life I would like to point out that it is the most significant sectors of our economy and our pace setting industries that are most highly organized. This makes labour-management relations a very vital - and in my view often under-rated - element in our future prosperity as a country.

One of the most damaging trends in Canada today is an unwillingness to recognize the union movement as an important and integral part of Canadian society as these facts would indicate it should be. Indeed, increasingly often it goes beyond this to a fierce and unjustified hostility which blames unions unfairly for difficulties that many others had a hand in creating.

This attitude is one the labour movement has had to face throughout its history. It has burnt itself deep into the union movement's skepticism towards other sectors in society.

And I am not referring just to business and government. The educational community is included. Let me cite one of McMaster's own, assistant professor Roy Adams, who in a study of union field officers concluded that unionists take a generally dim view of the academic community.

This is only one of the areas in which the union movement may feel it has been shortchanged or at best lukewarmly accepted within the mainstream of Canadian life.

And it is my view you can not have that many Canadians, and that important an institution feeling it is left out in the cold. The result is the creation of a whole range of resentments and built-in frustrations that affect other areas. I believe this has been happening and has helped make the recent labour relations scene in Canada a stormy one. It has been aggravated by weaknesses of organization and structure within the union movement: weaknesses that have made it sometimes difficult for the labour movement to fully respond to the needs of its members.

If we are to successfully meet the very difficult challenges that are facing all Canadians in the next few years then we can not afford to be hampered by any more emotional and political baggage than is absolutely unavoidable.

Nor is it going to be any easier if one of the principle components of the Canadian economic scene is weak, inadequately prepared and equipped and constantly on the defensive.

Education is one of the methods through which the union movement itself can meet some of the challenges confronting it both as an organization and as a movement serving its members.

This has always been recognized by the labour movement. As far back as 1900 public education was one of the planks of the old Trade and Labour Congress. Throughout its history the labour movement has sought to establish its own education programs. The Canadian Labour Congress a few years back was spending about 10 percent of its budget on education. Professor Adams found "a strong tradition of oral education in the labour movement".

But the educational efforts of the labour movement have been hampered by many things: lack of funds, a widely dispersed membership, as well as not having the ready access to higher educational structures simply because for the most part union members have never been part of them.

Compared to business and professional associations, some of which have what amount to their own very expensive and publicly supported institutions, the labour movement has not been overly well served. Unlike corporations, unions can not been overly well served. Unlike corporations, unions can not write off the cost of conference seminars and business courses as a tax deduction and business expense.

A 1973 survey by Statistics Canada indicates the imbalance that exists in continuing education between management and labour. This survey showed that 13.3 percent of managers and nearly 15 percent of professional and technical people were involved in some kind of employer sponsored course. This compares to between five and six percent for service and production workers and almost nothing for labourers and unskilled workers.

There are three main areas in which education can be useful to the millions of Canadian trade unionists.

First, in furthering their own personal goals for a fuller and richer life.

Second, in strengthening the efficiency and capabilities of the movement and the unions as a social organization.

Third, in improving the labour movement's ability to deal with the almost bewildering array of issues with which it is confronted.

The issues confronting the trade union movement are increasingly complex. There are the very difficult issues of the Canadian and world economies. Union members are among the first to be hurt by volatile economic conditions. This places tremendous pressures on union leaders not only to protect the immediate interests of their members but also to become part of the longterm solution.

New emphasis will be given to issues such as job security, which so far in Canada have only been scratched on the surface.

There are also the internal strains to be resolved between young and old members brought about in part by the changing educational standards of which I spoke earlier.

Two years ago Jean Guy Frenette, Director of Research for the Quebec Federation of Labour recognized the increasing role the labour movement is being called upon to fill in society and singled out its research capabilities as the "weak link", in fulfilling that role.

In terms of strengthening the immediate ability of the unions to serve their members, let me again cite Professor Adams.

He reported most business agents complained they came to their jobs ill-prepared. It's not hard to understand why when you look at even a partial list

of things a field representative is expected to deal with -- new developments in collective bargaining, arbitration and grievance decisions, labour and welfare legislation, patterns of work time, employer policies and many other things that intimately affect the welfare of the employees. Remember also that the union representative rises through the union ranks and is often elected to his post. I doubt there are many university educated managers with this kind of knowledge. The fact that union business agents are able to fulfill their function at all is a tribute to them. Many frustrations however, are needlessly created while an agent learns on the job - frustrations that shape his attitude and also the attitude of the members towards the union and the employer. Attitudes which have a ripple effect throughout the union movement and on its relations with employers and the public.

Then there is the personal benefit to individual members of unions. I think it is quite

clear that a great many Canadians want access to ways of improving their particular situation. For many education courses provide that avenue. For some it is an avenue to career advancement. For others it is a matter of personal satisfaction.

We have all read and seen magazine articles on the busy, successful executive who changed course in mid-stream, gave up his career, went back to school, started farming or shop-keeping or became an artist. Many of us secretly envy these people their "second chance".

Surely the worker who started in a factory or a mine, 15 or 25 years ago must also need that "second chance". But it's not quite as feasible for him financially as it may be for the successful executive. Yet the need is just as great - perhaps greater when one looks at the mind-numbing nature of his job and the chances he has for meaningful change and advancement in his career.

The desire for this second chance is borne out

by a survey conducted a couple of years ago by the Canadian Labour Congress and my department which found that more than a third of union members are enrolled in community adult education courses.

So the needs are there. And, in my view the tangible and intangible benefits to Canadians as individuals and to the labour-relations climate in Canada and consequently the future prosperity of Canadian society are many.

We are moving to respond to these needs in several ways. The government has signed an agreement with the Canadian Labour Congress to provide \$10 million over the next five years to improve its labour education programs. We are also providing funds to other unions and unorganized workers and to some universities to help them upgrade their labour education programs. Another initiative we are exploring is the concept of paid educational leave - a sort of worker's sabbatical.

Not all the response to these initiatives has been positive. I believe, the criticisms reflect some of the damaging attitudes of confrontation that have become far too entrenched in Canadian labour-management and government relations.

The main criticism I have heard is a variation of "its an attempt to buy off the labour movement."

My attitude to this is really the same as that of the Catholic educators who founded the Antigonish Movement in Nova Scotia. This movement, designed to assist the Nova Scotia fisherman, was an early and highly successful experiment in co-operative and community education.

Asked if he was succeeding in making the Nova Scotia fishermen into good Catholics, one of the movement's founders replied; "Do you know a Catholic way of canning lobsters"?

And that is my attitude. There is a need. It ought to be filled. If education is an asset and

indeed a must for the young; it is also a need for those who are not so young. If it is good for the businessman; it is good for the union member; if it is good in the boardroom, it is good on the shop floor.

To those of you who are graduating today, may I congratulate you and offer my hopes that what you have learned here will improve your lives. I hope this will not be an end to your education. I hope you will constantly seek to learn more not only about your chosen field but about the other fields and the other people with whom you share this society.

INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

ANNUAL MEETING

OF THE

CANADIAN ASSOCIATION FOR ADULT EDUCATION

RICHELIEU INN

WINDSOR, ONTARIO

MONDAY, OCTOBER 31, 1977

8:00 P.M. EST



A few months ago at Geneva I spoke enthusiastically to the conference of the International Labour Organization about the potential for paid educational leave for Canadian workers. Many people in Canada liked what I said. They told me at least it's a good dream. Some others did not like what I said. They said it was a bad dream.

I have thought about it in the meantime, and the more I think about it, the more I like it. Tonight I'd like to tell you why.

First, I believe that paid educational leave could do a lot to improve the social mobility of some Canadians who now have precious little hope of acquiring job skills and holding a steady job.

We all know some of the people in our own community who are in this unfortunate category. As politicians, or as educators like yourselves, perhaps we're all guilty sometimes of talking glibly of Canada being a land of opportunity. Well, Canada is a land of opportunity, but not for all Canadians. We all know of those who aren't doing too well. About 20 per cent of the population persistently doesn't do very well. The Senate Report on Poverty in Canada dwelt at great length on the problem, as did our recent studies under the Social Security Review.

For the most part these are Canadians who work. They work in the low-wage jobs. They are frequently among the first to be laid off, and the last to be rehired. Most are at the low end of the scale in schooling and job skills. They missed out on their education in younger years and never had the time or the money to go back to school or take up a trade. Despite our great advances in education, there's still a tendency for this lack of training, this failure to acquire job skills, to be passed from one generation to the next.

What intrigues me about paid educational leave is its potential for giving a second chance to the worker who is stuck in a dead-end job and has the ability and the desire to improve himself or herself.

It was the desire for a second chance, or a better chance for their children, which attracted tens of thousands of men and women from other countries to Canada in recent years. The vast majority who came from other lands have found the social mobility which attracted them here. But they also had the job skills which made it easier for them.

Paid educational leave isn't the only measure that is available to us, but possibly it could become one of the most important instruments for upgrading job skills and giving that second chance to Canadians who now have little hope of social mobility.

Second, I believe that paid educational leave for workers is essential if we are to meet our commitment to equal opportunity in the workplace.

Paid educational leave is not a new idea. It's only paid leave for workers that is a relatively new idea.

Think for a moment of the tens of millions of dollars the government has spent on the bilingualism program. Thousands of public servants have spent three months, six months, a year or more away from their job, on full salary and fringe benefits. What was this program if not paid educational leave?

Consider also the opportunities which are taken regularly by our senior bureaucrats, by teachers, by professors, by doctors and dentists for keeping up-to-date in their professions -- or an even greater luxury, just to "recharge their batteries".

Nobody, or almost nobody, questions the social as well as the personal value of sabbaticals and educational seminars for bureaucrats and professionals. Envy maybe, but opposition no.

One of the great achievements of Canada has been our public education system, which has its roots in the early days of Confederation. As a matter of right our young people

go to schools, supported by the taxpayer, to the age of 16 in most provinces, and it's not too difficult for most of our young people to stay to grade 12 or 13. Subsidies and scholarships have assisted our young people to continue at the post-secondary level in community colleges, technical institutes and universities.

Paid educational leave would give workers who dropped out, or whose studies were interrupted for one reason or another, similar opportunities to those of the youth population, in allowing them to study full time for varying periods.

The Canadian Labour Congress has argued that "those who are assuming the major tax load for education are the same people who are not able to take advantage of further education." That's a point worth pondering.

When you look at the education profile of Canadians, it's quite obvious that a significant percentage of the labour force is lacking in basic education, and therefore lacks equal opportunity in the job market.

The 1971 census indicated about 1 million Canadians of 14 years and over had less than grade 5, and almost 5 million had less than grade 9. I believe this Association has taken the position that to be "functionally literate" requires at least grade 9. This would mean that there were in 1971

almost 5 million "functionally illiterate" Canadians.

Even if one were to accept the more modest definition, adopted by Statistics Canada, of five years of schooling, then almost 1 million adult Canadians lacked the necessary degree of education.

It must be concluded that a large proportion of the "functional illiterates" are in the labour force, and that the situation cannot have been completely rectified since 1971.

Finally, the third reason for my optimism for the great potential of paid educational leave is the contribution it could make to productivity. Providing for paid leave isn't the only thing we could do to maintain, or improve, our productivity, but I do believe it could be an important factor.

How do we maintain our position in our markets? There are many factors. We must make sure that our plant and equipment are up-to-date. We must count on our management to be innovative and enterprising. Our costs of production, including our wage costs, must be competitive. But certainly not least of all, we must ensure that our labour force is the best-trained, and has access to retraining.

When we look at vocational training, we find that Canada is not doing as well as our principal trading partners.

For example, in 1973-74, the number of new apprentices coming into training positions in Canada was 24,535. This compares unfavourably with West Germany, where in 1974, about 400,000 out of 763,000 school leavers entered an apprenticeship with a firm, which generally would last three years.

In France and the United Kingdom, extensions of paid educational leave have come mainly as a response to the need to improve productivity. In France, a law of 1971 obliges employers to devote a percentage of payroll (1 per cent in 1976) to a training fund out of which training costs, including the wages of those sent for training, would be paid. In Britain, the introduction of Industrial Training Boards in 1964 obliged employers covered by the legislation to pay a levy to be used for training. Part of the funds was allocated to paid educational leave.

In Canada we have been successful in coming up with ingenious schemes for manpower training, at a cost we can afford. I don't believe many Canadians question the contribution which these programs have made to the trainees, the employers and the economy.

But our manpower programs have been essentially of assistance to the unemployed who are seeking skill training in order to qualify for a job. Could they also be utilized for training those who are employed and who want to upgrade their skills or move into a new line of work? This would also provide job openings for those who would replace them.

We have also adapted the Unemployment Insurance program in creative ways to meet individual and social needs. Are there new possibilities for combining unemployment insurance and educational leave?

The government has provided various tax incentives to employers for encouraging capital investment. Would tax incentives encourage employers to make investments in their human resources through paid educational leave?

The capital cost of paid leave should not be too onerous. Canada has a national network of community colleges and technical institutes which are providing training for our young people. As the age characteristics of the population change, there will be increasing numbers of places available for those now at work.

Through our federal manpower programs, Canada spends more on training at the central government level than some of our trading competitors, but we don't do nearly as

well at the industry level in keeping the employed work force up-to-date on new skill demands.

In 1970, Statistics Canada did a survey on industry training and found that out of 44,000 firms, 33,000 (or 72 per cent) had no organized training. In manufacturing only 21 per cent of firms reported training programs. Of the total number of trainees, about half were in courses of less than 40 hours and one-third were in safety and orientation courses. In a 1973 survey, it was estimated that less than 8 per cent of Canadian workers were taking employer-sponsored training courses.

I admit it's difficult to make international comparisons in any field, but it's worth noting what some of the leading industrial countries are doing in employer-sponsored schemes.

In the U.K. all firms or industries with Industrial Training Boards must have a training program. In 1976, these boards covered 23 industries employing about 70 per cent of total employed persons. In France, all firms with more than 10 employees are required to have a training program. In Sweden, it's estimated that about 90 per cent of all companies have training programs.

I think we should all appreciate the head-start which our trading competitors have taken over us, and that their advanced training and retraining systems put Canada at a disadvantage in terms of productivity.

The trend is even more serious when we realize that our traditional source of skilled workers and industrial technicians has been Britain and western Europe. Employers, and governments to a certain degree, have not accepted their responsibility in meeting our own needs by training Canadian workers. For various reasons, Canada cannot count on immigration for skilled workers, nor should we.

At the same time, we must all face the fact that any reference to a study of the feasibility of paid educational leave is subject to criticism by a host of nay-sayers. By calling for an examination of the idea, I am not unmindful of our most pressing economic problems including inflation and the unacceptably high levels of unemployment in this country. But I would suggest that paid leave could be a valuable tool in improving our competitive position, as well as contributing a measure of justice to the work place.

Since I made my opening statement on paid educational leave at Geneva, I have felt some earth tremors out of the employer sector. The initial response of some employer groups

has been strictly negative. This is not surprising. Employers in other countries where paid educational leave is now well established have also approached it cautiously.

Perhaps it would be well to understand, as a representative of the Canadian Labour Congress told a seminar of the Canadian Pulp and Paper Association at Victoria last week, "the federal Minister of Labour isn't talking about utopia, he isn't talking about every worker being off on paid leave." So let's not build artificial barriers. This is something government would have to work out in consultation with the labour movement and management, or the labour movement and employers could work it out without any involvement of government.

My officials in Labour Canada have looked closely at the primitive state of paid leave in Canada and its more developed condition in some of the Western European countries. It's appropriate that we should now explore the concept in consultation with trade unions, employers, educators, and others who could help us determine whether the extension of paid leave would be in the

interest of the 550,000 employees in the federal industries, and, if so, how it could be achieved. I also want to co-ordinate any work we undertake in this field with similar activity in the provinces.

I think that most of you are familiar with the ILO convention on paid educational leave which was adopted in 1974. It called for the formulation of policies that would grant paid educational leave for (1) improving occupational skills, (2) assisting workers to participate in the affairs of their community, including their trade unions, and (3) advancing workers' personal and cultural needs. It's worth noting that the convention has been ratified by the United Kingdom, West Germany, Sweden, France and Belgium.

In the typically Canadian fashion, we may take a long time to ratify an ILO convention, but at the same time we manage to support it in many practical ways.

The Canadian labour movement is broadening its objectives, and is seeking to play a more active role in the decisions of the nation. It's essential to increase the number of qualified union representatives at all levels.

The federal government has recognized the need for upgrading trade union leadership education. Earlier this year we gave the Canadian Labour Congress a grant, with no strings attached, of \$2 million for labour education. This grant can be repeated for an additional four years. I expect to be in a position to make similar per capita grants to other trade union centrals in a month or two.

I was encouraged by the support for the concept of paid educational leave which was given by delegates to the national convention of the Canadian Union of Public Employees at Vancouver last week. If paid educational leave has any future in Canada, it must have grass-roots support.

Many of the questions surrounding paid leave -- for example, what kinds of training should be provided, who is eligible to take leave, who should pay -- could be worked out in the collective bargaining process. This has already started. We would want, of course, to examine its feasibility in unorganized shops.

In the recently concluded agreement between Rockwell International and the UAW, one clause recognizes the right of employees designated by the union to take leave and attend union education courses. Eligibility in this collective agreement is to be determined by the worker's peers. Another clause establishes a union education fund into which the employer agrees to pay a specified amount (one cent an hour). Control of the program, therefore, is in the hands of the trade union, and the financial support comes from a levy on production which is negotiated.

This is possibly enough speculation on some of the principal areas of discussion surrounding paid educational leave. I hope that as more Canadians consider its potential they will view it as I do -- paid educational leave becoming a more significant factor for improving social mobility, for improving equality of opportunity at work, and for improving productivity.

I would like to do whatever I can, in my capacity as Minister of Labour, to cause the whole subject to be discussed and debated in the public arena so that we can have an effective exposure of this important new initiative under my 14-point program.

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INFORMATION

ADDRESS BY

SYLVA M. GELBER

SPECIAL ADVISOR TO THE DEPUTY MINISTER

CANADA DEPARTMENT OF LABOUR

TO THE

VIIIth INDUSTRIAL RELATIONS SEMINAR

SCHOOL OF INDUSTRIAL RELATIONS

UNIVERSITY OF MONTREAL

MONTREAL, QUEBEC

NOVEMBER 4, 1977



DISCRIMINATION IN FRINGE BENEFITS

Sylva M. Gelber

It is an unfortunate fact that fringe benefits are interpreted to mean a variety of things depending to a great extent upon the philosophy of those employing the term; and the purpose for which the term is being used. In a study carried out some years ago for the Organization for Economic Co-Operation and Development (OECD), fringe benefits were described as being payments, either current or deferred, which while arising out of the employment performance, are not made directly because of it.

Speaking generally, fringe benefits are viewed as a part of an employee's remuneration. "Remuneration", in its turn, is defined in the **Equal Remuneration** Convention of the International Labour Organization, so as to include not only the ordinary basic wage or salary, but also "any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment". Some question had been raised at the International Labour Conference two years ago as to whether this definition was intended to include such fringe benefits as pensions and other forms of insurance; it was confirmed that these would be viewed as coming within the definition of remuneration and would, therefore, be subject to the principle of equality.

In 1972 Canada, with the concurrence of the provinces, ratified this Convention committing all Canadian jurisdictions to the principle of non-discrimination in remuneration on grounds of sex, presumably including fringe benefits. As long ago as 1964 Canada had ratified another International Labour Organization Convention, the Discrimination (Employment and Occupation) Convention, which not only prohibits discrimination in remuneration, but extends the prohibition of discrimination generally to all "terms and conditions" of employment. As is customary, discrimination is prohibited on a number of grounds including grounds of sex.

Thus, if there were any doubt as to whether fringe benefits were in fact a part of remuneration, as defined in the Equal Remuneration Convention, then discrimination would nevertheless be prohibited on the grounds that fringe benefits are undoubtedly a "term or condition" of employment as incorporated in the Discrimination (Employment and Occupation) Convention. It would seem, therefore, that regardless of which of Canada's two binding commitments under International Labour Conventions were viewed to be relevant, discrimination in fringe benefits on grounds of sex in all circumstances would seem to have been prohibited.

In spite of our international commitments, however, some provincial statutes appear to permit a certain degree of discrimination in employment on grounds of sex at least insofar as named fringe benefits are concerned. For example, under Regulations made pursuant to the Ontario Employment Standards Act, discrimination on grounds of sex and marital status is permitted in pension plans, life insurance, disability insurance and health insurance in certain circumstances. Furthermore, the definition of wages in the body of the Act itself differentiates between basic pay on the one hand and what it describes as "benefit plans" on the other, a concept which does not appear to be consistent with the definition of remuneration contained in the ILO Equal Remuneration Convention.

Similarly, the Quebec Charter of Human Rights and Freedoms permits, on grounds of sex, exclusions from the general principle that employers are required to grant equal salary or wages without discrimination for equivalent work at the same place of employment. These exclusions relate to pension plans, retirement plans, life insurance plans or any other plan or scheme of social benefits. In this regard the Quebec law appears to have been influenced by that of Ontario since these

are the only two provinces which specifically permit such discrimination in certain fringe benefits on grounds of sex. The legislation in most other provinces makes no specific mention either of fringe benefits generally or pension rights or insurance benefits in particular. The exception of this general rule is in the case of Newfoundland legislation which specifically states that a female employee shall have pension rights and insurance benefits equal to those applicable to the male.

The tradition of discriminating on grounds of sex in pension plans, is an old one rooted in a society which has changed almost beyond recognition. When pension schemes were first established, both in the public and private sector, it was assumed that married women were supported by their men-folk; and that their sojourn in the work-place was transitory. Furthermore, it was assumed that a single woman would inevitably leave her employment at marriage. Equally it was assumed that women, being weak physically, would be worn out earlier than men and should, therefore, retire earlier.

For all of these reasons it was not unusual to set a so-called "normal" retirement age for women some five years younger than that set for men. It was also not unusual to deny women the right to enter into pension

plans until they had completed a longer period of employment than that required for men, a condition deemed necessary to test their long-term intentions with regard to labour force attachment. Thus, a working woman would frequently be eligible for participation in a plan only after five years' employment while men in the same place of employment would be entitled to enter the plan after one year of employment.

Taking into account the two circumstances, the first at the beginning of employment and the second on the termination of employment, a woman worker was denied as much as ten years' participation in a pension plan as compared to a male worker in the same category. These ten years naturally affected the size of the pension earned, since the rate of the pension earned depended on the number of years of participation.

In recent years, due in no small part to the advent of the Canada Pension Plan and the Quebec Pension Plan which no longer contain clauses which discriminate on grounds of sex, private insurance plans are being revised to do away with some of the previous discriminatory clauses at least insofar as the period of entitlement is concerned; furthermore the private insurers have discovered that administrative costs are diminished when differentials in entitlement are eliminated.

A favourite argument against providing pension rights for women on the same basis as that provided for men, is that the cost of pensions for women is higher because of the longer life-expectancy of women. It is true that the life-tables during the last three or four decades have shown a widening gap between the life expectancy of the respective sexes, women outliving men by several years at the present time.

This defence of permitting pension plans to discriminate against women because of the cost of pensions, raises a question as to whether this is the only group in society which shows a differential in the average expectation of life, for it is the only group which now suffers discrimination on that basis. The life expectancy of certain racial groups in our society is notoriously different from that of the predominant racial group. Yet society today does not tolerate discrimination on grounds of race in pension plans because of such differences. Unfortunately, Canadian public policy is still such as to permit discrimination in some instances on grounds of sex.

Quite apart from those statutes which openly permit exceptions to be made with regard to discrimination on grounds of sex insofar as pension and insurance plans are concerned, a more subtle method of permitting discrimination has recently appeared in the law. On the surface the law does not permit an exception; but the same law may permit differences in pension plans between different occupational groups in the same establishment. For example, an employer may provide a pension plan for employees involved in a skilled mechanical trade while providing a different plan for workers in administrative support positions. The significance of this permissible differential on the basis of occupation, only becomes obvious when it is realized that women are still segregated in the work force within certain specified occupations, such as administrative support. Thus, a less valuable pension plan may be established for the workers in a "female" occupation than that provided for the workers in a "male" occupation in the same undertaking. This adds up to discrimination on grounds of sex, although the law itself prohibits such discrimination.

The pattern of women's employment in the labour force has serious effects on certain types of fringe benefits insofar as these relate to length of

service. For example, the size of the pension to which an employee will ultimately be entitled in accordance with plans to which the employer makes contributions, depends on a specified unbroken period of service. As child-bearer, the period of a woman's employment may be interrupted due to this exigency, and in consequence, the woman's pension will be diminished due to a broken period of service in the labour force.

Another feature of the woman's employment pattern which adversely affects the fringe benefits to which she would otherwise be entitled, flows from her role as housewife and mother, frequently necessitating part-time employment in the labour force. A substantially larger portion of the female labour force works part-time than the male labour force.

Fringe benefits over and above those provided under public programs, are generally made available as a result of collective bargaining. Through this procedure, employers frequently purchase insurance on behalf of their employees; frequently too they make contributions even in the case of such public programs as health insurance. Collective bargaining, of course, affects only that portion of the labour force which is organized. Unfortunately, the bulk of the female labour force is

not included among these workers, only about one-quarter of the female labour force being organized at the present time. For this reason fringe benefits which flow from collective bargaining, apply for the most part to workers in the organized sector where women workers are not well represented.

The unsatisfactory situation which prevails with regard to pensions as they affect women workers, is paralleled in other types of fringe benefits as, for example, in the case of sickness and disability insurance. When an employer supplements through the private sector, the modest disability insurance coverage provided through the public program of unemployment insurance, then the rates which are levied for women workers exceed substantially those which have to be paid for men. Consequently, employers of women are less inclined to provide this type of insurance coverage. Private insurers have so far not been able to substantiate their claim that the morbidity experience of women, on which they base their rates, is considerably higher than that of men. The only data they have been able to provide relate to the small covered population amounting to not more than 10% of their total, obviously a privileged group capable of meeting the high premiums charged by the industry.

There is one other area where discrimination persists in a public program in spite of the fact that the law under which it operates appears to be free of discriminatory clauses. This paradox stems from the fact that the law is administered in accordance with administrative procedures. Thus, for example, although the Unemployment Insurance Act shows no evidence of discriminatory clauses, the administrative procedures affecting women in some instances are in fact discriminatory. Persons seeking to establish entitlement to benefits are, of course, required to declare themselves to be available for employment. Under the pretext of endeavouring to establish such entitlement, the Unemployment Insurance Commission requires that women "may have to indicate that you can make child care arrangements". No man is ever required to prove his availability for work on the basis of family responsibilities, nor should he have to, even if his wife is confined to an institution and the children are his lone responsibility.

In summing up the situation, it is clear that in some instances in the public sector and in most instances in the private sector, fringe benefits affect women adversely in comparison with their male counterparts. Although there have been considerable improvements in recent years, particularly in the public sector, there is

still a wide gap in the value of fringe benefits made available to men and women workers respectively. This type of discrimination is being perpetuated even within laws which themselves proclaim the principle of non-discrimination.

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO A MEETING

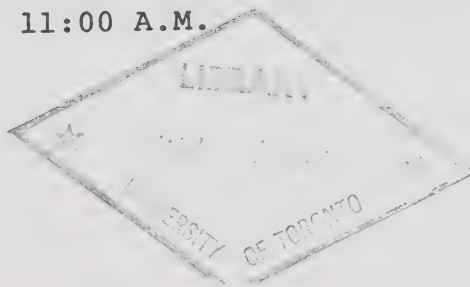
OF THE ONTARIO HOSPITAL ASSOCIATION,

SHERATON CENTRE,

TORONTO, ONTARIO.

NOVEMBER 8, 1977

11:00 A.M.



I am pleased that the Ontario Hospital Association has invited me to address this meeting of personnel directors and administrators. I am particularly pleased to focus my remarks on "the way ahead for industrial relations".

The whole question of industrial relations is steadily assuming more and more importance because of its direct, and formidable effects on our productive capacity, our competitiveness and on job security.

There is also the recognition of some inherent weaknesses in our system of industrial relations, and of contributory problems in the work environment generally.

You, as professionals in two closely-linked areas of employment and human relations, share both a concern and a responsibility for the way ahead in industrial relations. The problems we

face affect all sectors of the economy and recognize no jurisdictional boundaries. They challenge all industrial relations practitioners, and all governments, to adjust to new realities and new requirements.

One of the biggest challenges, in my opinion, centres around the question of productivity. Canadian business and industry need to reach and maintain a level of productivity that ensures competitiveness in the marketplace and helps to induce the necessary investment, to stimulate the economy and to make possible an improved level of employment.

The massive increase in our real wealth since World War II is attributable almost entirely to growth in productivity. But according to many experts the means by which we achieved that growth - a vast increase in the use of energy and in technological developments - won't be able

to provide similar productivity increases in the future. Indeed, some say it may even be difficult to maintain what we have. Energy sources and supplies are at a premium, a premium that will be demanding ever more of our national and individual wealth. And we can scarcely expect technological innovations to equal the incredible advances of the last 30 years.

This, then, is one of the major realities we have to face: the productivity imperative. This has its direct affects on our balance of payments situation, on investment levels and on employment levels, among other things.

For our industrial partnership, the message and the reality are clear. We must improve our act, or face the real possibility of losing our envied place insofar as our standard of living is concerned. The quality, and the results of our

industrial relations, must first improve as a prerequisite for enhanced productivity. This has to be the way ahead.

How can this new way be shaped, and what's being done to shape it?

Before we can look at some answers, we first have to acknowledge that our system of industrial relations, based on the free collective bargaining process, has been undergoing some severe strains. I need not remind this audience of our unenviable record of strikes and lockouts, of the many negotiated settlements that have been rejected, of the general malaise surrounding labour-management relations. Certainly the industrial partnership has not been conducive to a good rate of productivity. The system of industrial relations, and the process of collective bargaining, have been producing too much negative fall-out.

The work environment itself is often a contributor to this less-than-desirable record of

performance. Too often the environment is one that emphasizes growth and productivity at the expense of the human element. In searching for growth, and supposedly progress, we have unconsciously relegated the importance of our most vital resource - the workers of this country.

Too little has been done to evaluate and up-date the traditional authoritarian role of the employer and manager. Too little has been done to modify the regimentation which still characterizes many workplaces. While Canadians outside the workplace enjoy the protection and privileges of a host of democratic rights, it's frequently a very different picture within the workplace.

The government's recent discussion paper entitled "Agenda for Cooperation" examines our problems in some depth. It invites Canadians to help frame economic decisions to guide progress, pointing

out that governments on their own have a limited capacity to solve economic and social problems. While the government cannot reject its obligation to play a significant part in managing the economy or building a more humane society, there must be a greater sharing of responsibility, not only among governments but between the private sector and governments.

The paper suggests that governments must be concerned about the impact of laws, regulations and policies on the functioning of markets and on the incentives they offer to individuals and firms. But those in the private sector must, for their part, be concerned about the wider consequences of their own individual actions.

This warning has particular relevance to the industrial relations scene - and it brings us to the point where we can look at some of the ways of improving industrial relations and the workplace

itself.

Most of you will be aware, I believe, of the 14-point program for improving the whole labour relations scene which I announced last year. These initiatives are designed to improve the work environment; to improve the collective bargaining structure; and to improve the structure and process of labour-management relations. A tall order, and one that won't be fulfilled without the co-operation and shared responsibility which I have just referred to.

Among the specific proposals are a national centre for occupational safety and health; a national quality of working life centre; a national consultative forum; a collective bargaining information centre; improved conciliation, mediation and arbitration services; and improved educational opportunities for workers. Over and above these are a range of legislative improvements which I introduced into the House last month, aimed at adding a greater degree of justice in the workplace.

These proposals involve three parts of the Code: Part III which establishes minimum labour standards as protection for the unorganized worker; Part IV which protects against occupational health and safety hazards; and Part V, which sets the rules for relations between unions and employers.

The basic objectives are to improve the protection of workers, particularly the unorganized; to improve job satisfaction, thereby enhancing productivity, employer-employee relations, and reducing labour relations conflict.

Time doesn't permit a lengthy analysis of each of the improvements proposed; however, several may be of particular interest. I believe you will support the provision of protection against alleged unjust dismissal, with the right to appeal; the provision of protection against being fired because of absence due to illness; and the elimination of pregnancy as a cause for dismissal.

In another area, a proposed amendment would give

workers the right to withdraw, without loss of pay, from work situations which in their opinion threaten imminent personal danger. A further proposal would enable the setting up of employer-employee safety and health committees to identify and rectify work hazards.

I have described the proposals for amending the Canada Labour Code as a charter of workers' rights, or at least as forming the basis of such a charter. We won't see a greatly improved industrial relationship if we don't pay far more attention to the need for a greater measure of industrial democracy in the workplace, and for increased employee participation in the decision-making process at the workplace.

The relationship will never mature, never reach its real potential, if management continues in so many cases to deny both the feelings and intelligence of the employee.

I referred earlier to the authoritarian management which still exists at many places of work. To continue an authoritarian régime would be to ignore new worker attitudes and expectations...and to risk the breeding of more confrontation.

I know that before this particular audience I could be accused of preaching to the converted. But I do wish to stress my own conviction -- based on fairly substantial personal observation and experience -- that employees shouldn't have to tolerate a work environment that doesn't accommodate his abilities, his legitimate aspirations and a broad range of basic rights.

The new initiatives which I have developed along with my officials in Labour Canada are a sincere attempt to improve the work environment and to improve industrial relations. This is not simply because the economic situation demands improved productivity; but because it's high time Canada's working men and women, unorganized and organized, gain the recognition, the rights and the standards they merit.

The new initiatives indicate the way ahead. They prescribe the direction and put in place the framework. As a unilateral effort, they won't succeed. They need the co-operation, the good-will and the efforts of everyone with a stake in the outcome of our industrial partnership if they are to succeed.

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Government
Publications

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

FOR A PANEL DISCUSSION ON

TRIPARTISM -

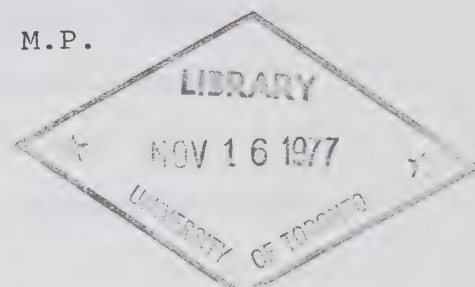
IS THIS THE FINAL SOLUTION FOR POLICY MAKING?

QUEEN'S UNIVERSITY

KINGSTON, ONTARIO

SATURDAY, NOVEMBER 12, 1977

9:00 A.M. EST



The question which the Conference has given to our panel discussion today is quite intriguing. My simple answer to the question is no, because there is no final answer to policy making. While I have been a Minister in Ottawa, I have discovered no magic solutions. But the establishment of tripartite mechanisms for consultation on national economic matters is, in my view, not only desirable but, I expect, inevitable for Canada.

Therefore, I will state my case in answer to your question in two propositions.

First, the establishment of tripartite consultative mechanisms at the national level would be good for Canada, good for Canadian workers, and good for Canadian industry.

Second, it is not a question of whether Canada should adopt tripartite consultative mechanisms. It is a question of what kind of mechanisms and when can we do it.

Tripartitism appeals to me in its potential for bringing the labour movement and management together, with government, so that we can work out some of the serious economic problems we are facing in this country.

This failure to work together is the essence of our problems. The labour movement and employers in Canada,

with some notable exceptions, have become over-committed to confrontation. Working together is suspect. It's seen by far too many trade unionists as "selling out," and by far too many employers as surrendering a portion of management's rights.

The inability to live and let live has been a major stumbling block to improved labour-management relations. On the management side, there hasn't been the same acceptance of trade unions as a legitimate partner in industry as you find in West Germany, Denmark, Sweden, Switzerland and some other countries which have been more than a match for Canada in some of our international markets. On the labour side, there has been a greater reluctance than you find in Western Europe to accept fair profit as a legitimate goal of the employer.

The INCO lay-off announcement last month is a good example of our failure, as workers, management and government, to work together. We have not yet come to a consensus on the reasonable limits of confidentiality about corporate decisions with respect to future plans, and reasonable advance notice of lay-offs that will recognize workers' rights.

At INCO, and elsewhere, all the outstanding differences and conflicts between workers and management are resolved through the collective bargaining process and the in-plant grievance procedure. These protections of the collective agreement are supplemented by government-sponsored labour standards, including the mandatory notice of lay-offs when 50 or more workers are terminated at one time. But this is clearly not enough protection. We should have consultative committees of workers and management at the plant level which would complement collective bargaining on a day-to-day basis, so that employees could be better informed about critical decisions before they are made.

A consultation process would open up new options for workers seeking job security. Instead of being faced with the certainty of a lay-off, they would have time to negotiate flexible hours, less overtime, improved pension benefits, early retirement, lay-off by attrition, job retraining, shared work and other solutions. Instead of being inundated by bad publicity and animosity over a sudden lay-off notice, the employer would develop worker loyalty and improved productivity.

In 1975, we made a start toward undermining the excessive commitment to the adversary system in collective bargaining. Prodded by the public which was alarmed over our bad record of man-days lost due to disputes, we established the Canada Labour Relations Council. The council brought together eight or nine representatives of organized labour and the same number of representatives of industry and business. Government was the third party, in a minority position. The council was able to reach agreement in principle on the establishment of a collective bargaining information centre, under the direction of a tripartite board, which would distribute economic and compensation data to both trade unions and management. Because the data would be produced by labour and management jointly, with government providing secretariat and administrative services, there was every expectation that its reports would be accepted equally by the bargaining committees of both parties.

The council worked on two other projects with a good deal of success. One was the compiling of information on experiments in industrial democracy, profit sharing, and job satisfaction schemes in a variety of Canadian companies. The council intended to publish details on such experiments

so that other workers and employers could be inspired to try their own approaches to an improved quality of working life. The other project was a study of arbitration services and proposals for improving arbitration services across Canada.

All of these efforts -- the data centre, the quality of working life study, and the arbitration services survey -- were diminished when the Canadian Labour Congress withdrew from the council following the introduction of wage and price controls. I am convinced that this withdrawal will be temporary.

Ironically, the wage and price controls created a new impetus for consultation. More than at any time in our history, the federal government has consulted with the labour movement, and with business, on a bilateral basis, and with labour and business on a tripartite basis. At the same time, the labour movement and industry and business have consulted bilaterally and reached agreement on a number of matters; in particular, their common approach to government over the decontrol process.

One of the most encouraging developments in this period was the adoption of the Manifesto by delegates to the CLC convention at Quebec City. The significant aspect of the Manifesto, it seems to me, was the determination of the labour movement to forego, to a considerable degree, its

traditional commitment to confrontation in return for an active role in the consultative process. It would continue to pursue its demands through collective bargaining, but it would complement these efforts through a consultative forum together with government and business.

Finally, let me conclude with some views on what form I believe a national consultative forum should take, and how we can bring it about.

In our consultations with the labour movement and the business community earlier this year, we were attempting to reach a consensus on the process for decontrol. The establishment of a national consultative forum was part of a package which also included a phased out-method for decontrol and the establishment of a monitoring agency. Although the labour movement rejected the package, it would not be correct to conclude that it specifically turned down the invitation to participate in a national consultative forum.

Indeed I am encouraged to conclude otherwise. Joe Morris, president of the CLC, told the annual meeting of the British Columbia Federation of Labour at Penticton last week that tripartism "is a policy designed to both strengthen the (labour) movement on a national basis and to concentrate that strength to give labour an effective voice in national planning." Mr. Morris did not promise to return to consultation

talks immediately, but he said that eventually the labour movement will have to do so.

When we resume the talks, I anticipate that both labour and business will participate in the multipartite forum which I proposed under my 14-point program, and the tripartite bodies which would have particular concern for industrial relations matters.

The National Consultative Forum, which I proposed under my 14-point program, does not lend itself to a tripartite format. The essentially pluralistic Canadian society would not welcome the establishment of a consultative body on social and economic issues which would be shared exclusively by only two self-interest groups.

The basic aims of the National Consultative Forum would probably include providing for an exchange of views on topics of major significance to the social and economic future of the country; a periodic review of significant economic data and projections; and detailed study of specific policy issues.

These elements suggest to me that representation on such a forum should be multipartite in character. The range and scope of issues transcend the immediate interests of business and labour. In addition to business, labour and

government, I would see representatives of other groups, such as farmers and fishermen, professionals and consumers, for example, legitimately expecting to participate in the national dialogue.

By the same token, if the proposed body is to fulfil any useful purpose, participation should be restricted to manageable proportions -- in my view, no more than a maximum of 30 or so persons. This is why I have some difficulty in understanding the fear of some friends in the Canadian Labour Congress that their voice would be lost in such a gathering. The C.L.C. is being overly modest in its assessment of its influence.

In this debate over representation, I think we are also tending to lose sight of the main objective of the National Forum, at least from the government's perspective -- that of establishing a dialogue on economic and social problems and the policies necessary to solve them. Some have seen this procedure as a kind of 'corporatism', that is, decision-making by the most powerful groups in the system at the expense of the parliamentary process. Others have seen it as an attempt on the part of the government to "co-opt" business and labour into espousing its policies by making

business and labour an integral part of the policy-making process. Such fears have recently been expressed by some of the leadership of the labour movement.

This is not the government's intent as is clearly expressed in our document, Agenda for Cooperation, published earlier this year. This document makes the following statement about the nature of the proposed National Forum:

"it is not expected a consensus will necessarily emerge...Indeed, to strive for a consensus would imply an effort to bind participants to particular courses of action. That is not the purpose. However, the range of views about what is possible and what is desirable could be expected to narrow as discussions proceed and each participant gains a better understanding of the views of the others."

The National Forum is intended to produce a dialogue among the major interest groups on broad economic and social issues. No one is being co-opted. No one is being asked to hew to a particular line of action. Consensus is not necessarily being sought.

The recent convention of the Canadian Union of Public Employees, if I assessed the sense of the convention accurately, decided to urge the CLC to reconsider tripartism as a Congress objective on the grounds that tripartism would impinge on the authority of Parliament. But there is no intention to do so. Parliament would not be circumvented or undermined by the National Forum. The final decisions would be taken by the government. But in arriving at its decisions, the government and Parliament would be aided enormously by the views expressed by the various groups in the National Forum.

Having argued the case for multipartism at the level of the main National Consultative Forum, I can visualize an important place for tripartism under the umbrella of that main Forum. Under the aegis of the main Forum, I could visualize the establishment of a series of sub-groups which would deal with specific issues, such as income distribution, manpower policy and housing. Representation on some of these sub-groups could well be a tripartite composition of labour, business and government.

I would also anticipate the formation of a tripartite sub-group specializing in industrial relations issues. Perhaps we can look forward to the reincarnation of something similar to the Canada Labour Relations Council. Certainly there are

sufficient industrial relations problems of national scope and impact to warrant the combined tripartite attention of labour, business and government.

I am also looking forward to a very real and active form of tripartism with respect to some of the initiatives contained in the 14-point program. I am not merely speaking of the normal consultations among government, labour and business over the nature and scope of these initiatives. Our relations with labour and business have developed to the point where this kind of consultation is automatic. What I am speaking about is the participation of labour and business in the direction of some of these programs; for example, the establishment of a Collective Bargaining Information Centre, which I mentioned a moment ago, the proposed National Centre for Occupational Health and Safety, and the Quality of Working Life Centre. I would hope to see all of these operations -- the data centre, the centre for researching and developing improved safety measures and standards and testing dangerous materials, and the centre providing a focal point for experiments in industrial democracy -- effectively being directed by representatives of business, labour and government.

What we are proposing here is gradual movement away from the traditional concept of the management of government programs being the exclusive domain of the bureaucracy into a more cooperative mode in which labour and business share the major role. The business community, I believe, is ready to come on board. I am hopeful that the hesitation of the labour movement to participate will diminish once the psychological barrier of the controls program is lifted.

In summary, I believe there is a role for tripartism as an aid to the policy making process, just as there is a role for multipartism. At the same time there is a continuing role for the more traditional bilateral relationships between government and business and government and labour that have prevailed over many years. I do not regard any of these modes of consultation and dialogue as being exclusive of one of the other. They all have an appropriate place in our system.

One thing, however, is certain. Without a degree of mutual trust and respect among the participants involved, none of these modes of consultation has much chance of success.

At the international level, Canadian business, labour and government have managed to establish this mutual trust and respect through many years of working together at the International Labour Organization. I am hopeful that this same spirit of cooperation can be transmitted to the national scene to help resolve our domestic problems.

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INFORMATION

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

COLLECTIVE BARGAINING FORUM

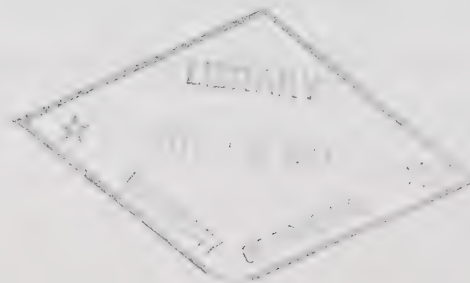
OF

THE ONTARIO ENGLISH CATHOLIC TEACHERS' ASSOCIATION

TORONTO, ONTARIO

SATURDAY, NOVEMBER 12, 1977

7:00 P.M. EST



In a sense, I find it almost unusual, as a Minister of Labour, to have been asked to address an influential teachers' organization about a pretty basic union topic -- collective bargaining.

I am very pleased you invited me here. I am encouraged by the importance you evidently place on collective bargaining. I believe it signifies a growing ease with the idea that teachers are part of the labour movement in Canada.

I say this because teachers in the past have been noticeably shy about embracing the labour movement. Some would even say they have taken care to keep their distance from other members of organized labour in this country.

They have avoided union labels for essentially union activities. They have sometimes taken considerable pains to find euphemisms for words like strike. Many reasons are advanced for this. The need for professionalism which has always been important to teachers -- and rightly so -- is one of them. However, I personally don't believe that professionalism and unionism are mutually exclusive.

From what I have observed it seems teachers have achieved a considerable amount of professional recognition, and at the same time have advanced this and other interests

by adopting the organization and techniques of the union movement.

I dare say many of your members are still uncomfortable with the idea that teachers are part of the labour movement. Past history indicates they haven't been alone in this hang-up.

I am referring here to the development of unionism within the public service. Today, however, you find public servants in most provinces have affiliated with the Canadian Labour Congress and now form a major voice in that body.

In view of what I see ahead for industrial relations and collective bargaining in Canada, I think teachers' organizations should give serious thought to affiliating with the Congress.

Such a step makes sense both in strengthening the labour movement for the far more important role it is beginning to play in national affairs.

It makes sense for teachers with their particular skills and talents to be a part of that development. It makes sense for them to be involved in some of the other exciting developments that I see coming onto the Canadian labour relations scene fairly soon.

It makes sense for teachers in developing their own understanding of the economic situation and their priorities to be inside a key organization that is shaping the attitudes and climate for collective bargaining in Canada.

So what do I see ahead for collective bargaining and labour relations in Canada?

At the outset let me restate the federal government's view that collective bargaining is the cornerstone of our industrial relations system. We have no intention of chipping away at that cornerstone.

Indeed if you look at the Omnibus Bill I have introduced in the House recently you will see specific measures designed to reinforce this system and to remove some of the obstacles that unions in federal jurisdiction now confront when organizing employees.

Yet we would be ostriches to pretend that collective bargaining alone has proved totally satisfactory. There is no doubt the system has been under considerable strain. This is proven by our appalling record of man-days lost to strikes and lockouts.

One of the off-shoots of this has been a growing clamour to limit the right to strike in essential services. Apart from the very real difficulty of defining what is essential and when it is essential, I do not believe that a blanket removal of a democratically won right would solve anything.

While there may be instances which require government intervention -- and these will always be judgement calls -- to restrict this right would only lead to frustrations being vented in other ways. Illegal walk-outs, slow-downs, work-to-rule and study days are all techniques that have been used in this type of situation.

No -- what is needed in Canada today are new ways of doing things that will complement the nuts and bolts discussions at the bargaining table. We must begin to develop the structures and attitudes that will allow the collective bargaining process to function at its best. That essentially means developing ways to ensure that an already complex process is not burdened by a climate of ill will or a backlog of suspicions, grievances, and issues that could and should be dealt with on a continuing basis. Collective bargaining is and always will be a tough enough

process not to be hampered by any more differences than absolutely necessary.

I don't want to hold out the idea that there is any simple solution to improving labour relations in Canada. One thing I have learned in my years as a politician and Cabinet Member is that there are no single everlasting solutions to problems involving human relations.

What we can do is to begin implementing, over a wide range of trouble spots, remedial measures. Taken individually the kind of measures I have in mind and have put forward in a 14-point program will not of themselves bring industrial harmony. But taken as a package, they can have a significant impact on the excessive and damaging commitment we have developed in this country towards confrontation.

Earlier I said one of the major developments occurring in the industrial relations scene in Canada is the growing role the labour movement will win in influencing public policy.

Some of you may have some doubts about this after hearing some of the statements made by various spokesmen for certain sectors of the labour movement in recent weeks.

What I would stress is that what is being questioned today is not that this will happen. It is a question of how this will happen and when.

Even the Canadian Union of Public Employees, in its rejection of three-way consultations between the government, labour and business, does not dispute this. Its position is essentially that the labour movement is not ready, and will be overpowered by the other two participants.

But I find it difficult to see how a return to all-out confrontation will strengthen the labour movement or improve the economic climate in Canada on which all of us depend for our prosperity and jobs.

While wage and price controls ironically have been a stimulus for more discussions with the labour movement than ever before in Canadian history, they have also been a stumbling block to the immediate continuation of some of the quite successful measures we took to put tripartitism into action before they were implemented. However, it is incorrect to conclude the various proposals that have been put forward to involve the labour movement in a consultative body at the national level and on other tripartite bodies have been rejected permanently.

Indeed, I am encouraged to conclude otherwise. CLC president Joe Morris said this week that tripartitism "is a policy to both strengthen the (labour) movement on a national basis and to concentrate that strength to give labour an effective voice in national planning." At some stage, if not immediately, the movement will get involved again, he said.

When that happens I am looking forward to some very concrete and active co-operation between labour, business and government in a number of initiatives in the 14-point program.

I am referring now to the establishment of a Collective Bargaining Information Centre for example. This was recommended by labour and management after it became apparent that a major trouble spot at the negotiating table is the inability of the parties involved to agree on basic economic data.

Second, an Occupational Health and Safety Centre and third, a Quality of Working Life Centre which would provide a focal point for experiments in industrial democracy.

All these areas have a direct application to collective bargaining and all would be tripartite in nature.

In other words, they would be actually run in co-operation by the three partners. They would not, as has been the case in the past of government programs, be part of the bureaucracy. This is a fairly significant step.

And I would see these initiatives encouraging an increasing number of companies and other organizations to develop co-operative working arrangements with their employees, so that everything does not have to be dealt with in the heated atmosphere of contract talks.

This is already occurring on a small scale in Canada. But I believe it is an idea whose time is rapidly coming.

Teachers who are facing a declining enrolment may feel, for example, that some of the crunch might have been eased had there been better consultation and more trust built up over the years. Instead, I am now told that negotiations are now coloured by a real or imagined feeling on the part of many teachers that they are operating under threat.

Negotiators in the next few years are going to be dealing with a great many new ideas as they confront changed economic and social conditions. Factors like an aging population, and slower growth are going to open up a whole

range of issues related to job security for intensive examination. To a great degree these complex issues are going to require genuine working together of the parties involved if they are to be resolved without adding further strains to collective bargaining. This is so just because we do not yet have a great deal of experience in these areas.

At this point I would like to mention one other proposal in the 14 points because I believe it has a bearing on some of the concerns teachers have.

This is the idea of paid educational leave, which is still in the exploration stage. I believe adult education for everyone has important implications for the future of Canada and for all highly developed and rapidly evolving societies.

There is a growing acceptance of the need for education as a life-long benefit, but there are some serious limitations on access to training and educational courses for those who have taken on family responsibilities or who fear losing seniority rights, job security and fringe benefits.

There must be thousands of workers who would like to try something new, including a new and different challenge

in their own work experience. Frankly, Canada is many years behind other industrial democracies in this social policy area.

Certainly the labour movement has recognized the need for increased education to assist it in fulfilling its role to its members and in Canadian society. The federal government has responded with support for the CLC and other unions as well as some academic institutions to upgrade labour education in this country.

Paid educational leave would complement these initiatives. It is not a new idea in Canada. Many groups have it in various forms including teachers who have negotiated professional development days for example. businesses support seminars and conferences for the education of their key personnel.

But where the idea is new is when it comes to educating workers. There is also some stiff initial resistance on the grounds of cost and who pays.

But before we reject the idea I think we should consider a number of factors; we already have the educational plant built up at tremendous expense over the years. We

have the teachers also educated at considerable public expense. We have already some ingenious schemes for manpower training and unemployment insurance. Are there possibilities of combining these with educational leave?

What positive benefits would be derived by way of helping people enter the work force as replacements for those on educational leave?

I believe the concept of paid educational leave deserves serious consideration by groups such as yours because it does hold tremendous promise.

In conclusion then I would say that I see a number of significant changes coming to Canadian labour relations. When and how is still being debated. But they are coming.

Among them are a greater role for organized labour in national affairs and a growing application of complementary new ways of working together in bipartite, tripartite and multipartite relationships.

One thing is clear that the future of Canadian industrial relations and consequently of Canada will not be bright if we remain wedded to total confrontation. There

are no single solutions but there are innovative measures we can take now to improve the way we deal with each other and the issues that confront us all as employees, employers, and Canadians.

Thank you.

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INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

ON

"THE QUALITY OF WORKING LIFE, A GOVERNMENT VIEW"

TO THE

FACULTY OF ADMINISTRATIVE STUDIES

YORK UNIVERSITY

TORONTO, ONTARIO

WEDNESDAY, NOVEMBER 16, 1977

7:00 P.M. EST



Good evening, ladies and gentlemen. I would like to thank you for your invitation to come here to York University and talk to you about "Quality of Working Life, A Government View".

As a politician, and therefore by definition a generalist, I am somewhat apprehensive about exposing my lack of expertise on this very complex subject to an academic audience. My concern is compounded by the expectation of a question period following my address. Perhaps the burden placed on me can be lightened if you will follow the practice of the opposition parties in the House of Commons - by using the question period principally as a launching pad for your own views and opinions.

In this area of public policy, we are embarking on a program which seeks to bring about a revolution in the operational and cultural norms of the work place. I welcome any contribution you may be able to make tonight, or in the future, to that revolution.

The federal government's Quality of Working Life initiatives are one of a number of measures announced a year ago to try to de-emphasize the adversarial characteristics of industrial relations in this country, and to encourage new approaches which would recognize the advantages to both labour and management of working together in their common interests and in the interests of the country as a whole.

In the year since these measures were announced, the need for greater collaboration among governments, business and labour has become ever more apparent. World and domestic markets are becoming increasingly competitive. The high standard of living which Canadians achieved in the 50's and 60's is threatened by world-wide economic forces which, to a considerable extent, are beyond the control of individual governments.

There is increasing agreement among experts in many diverse fields that in this decade we are moving from a buoyant to a slow growth economic environment, and that the consequences of this change are troublesome. As in football, the formula play that won us the Grey Cup last year, can this year leave us in the cellar.

It is in this context that we see our initiatives in the quality of work life area as a vital part of the government's wide-ranging approach to the long term solution of both employment and inflation. Its importance should not be underestimated, for as I will try to demonstrate, it takes account of new realities which conventional wisdom cannot deal with. If in this country we continue to rely, for our

productive strength, on the primitive values of competition and conflict, we shall soon lose ground to our trading partners who are emphasizing the more sophisticated values of collaboration and cooperation. The participative, problem-solving framework of QWL is not only good for the workers and business, but may well be of critical importance to the continued well-being of our whole society.

Those of you who read the papers will be aware of my personal commitment to participative problem-solving in this country, both at the macro level, where answers must be found to questions of national economic and social policy, and at the micro level, in the corporate decision-making process. Quality of working life techniques, which emphasize worker participation in decision-making on the shopfloor, are an integral and important component of a broader strategy which seeks to optimize democratic concepts and values, in the various forums where decisions are made that affect our destiny.

QWL may be perceived, in a general sense, as including any technique or process which enhances the quality of work and its environment. In the more specialized sense, it is a carefully designed process which shifts authority and responsibility from the

hierarchy of management to workers on the shop or office floor. In either sense, it is a participative approach to the management of an enterprise, at the level where a product is being made, or a service rendered. Participation is the means by which improvement is sought, both in the effectiveness of the organization in economic terms and the satisfaction of workers in their organizational and working environment.

QWL has come to mean more than job security, good working conditions, adequate and fair compensation, and more than occupational opportunity or job enrichment. The essential component of any QWL program is a real and continuing opportunity for individuals, and groups of individuals, at any level in any organization to influence their working environment, and to effectively participate in decisions affecting work processes, product quality and output.

A prerequisite to QWL is an organizational climate and structure that encourages, facilitates and rewards questions, and attracts challenges or suggestions relating to improving existing operating systems and methods. It also requires, from persons identified as managers or supervisors, expeditious, respectful and appropriate responses to such inputs.

Quality of Working Life is not a concept that is historically indigenous to the North American Community. North American industry has sought efficiency and profitability in high speed, machine paced, automated manufacturing. American entrepreneurs discovered very early in the industrial revolution that the costs of production could be brought down substantially by shortening and simplifying work cycles, by routinizing and standardizing production methods and by the application of scientific principles to the human element of the production process.

Taylor and Galbraith were both North Americans and their disciples spread throughout the world carrying the message of North American know-how and the advantage of automated production.

In Canada we have adopted as our own many of the principles of Scientific Management and, in one place or another, almost all of its practices. The benefits to us have been great. We are among the most economically successful countries in the world. Our standard of living is high. Our productivity and our individual contribution to gross national product is high compared with most countries of the world, although increasingly not high enough to support the standard of living which we have come to expect.

Until recently we have had, and have been able to afford, constantly rising expectations on the part of our investors, the work force and the community as a whole.

We have reached a point, however, where our expectations cannot be met without increases in productivity. The twin generators of our prosperity in the 50's and 60's - energy and technology - are slowing down. Yesterday's sure-fire solutions are no longer working.

But the problem cannot be assessed only in economic terms. There are social and cultural considerations which we must also take into account.

Perhaps the single most important change agent in Canada in the past twenty years has been our educational system. The quantity of education has been increased dramatically - that is to say the proportion of young people who graduate at the various levels - and its quality has been substantially improved. More young people are better educated than they were at any time in our history. In this new educational environment, Canadian youth has developed a capacity to analyse and integrate data, to involve itself in problem-solving and to operate in a self-directing independent fashion which was quite uncharacteristic

of graduates of the traditional school system. These changes have taken place over 20 years and a significant portion of the work force now in their 20's and 30's has been educated in this way.

As a consequence, the makeup of the labour force has changed from a group with a low personal expectation and an acceptance of authoritarian or autocratic social structures, to a work force which expects to be asked for its opinion, to think before it jumps, and to make meaningful contributions to the problem solving processes in the work environment. Unfortunately, the personal expectations of this new generation of workers are not being met in the way they were met for the previous generation.

In this same period, governments at all levels have become deeply committed to social justice - improved pensions, universal health services, income support, social services, and similar programs which have modified the social fabric of this country. The threat of hunger and gross deprivation which have conditioned the attitudes of workers since time immemorial has been substantially removed from the labour market.

These revolutionary changes in education, and in social services and security, have changed the expectations of the younger worker. Increasingly he, or she,

rejects working environments which are governed by rigid, hierarchical structures, and production systems based on routine, repetitive and machine-paced work processes. Rising expectations of job satisfaction should not surprise us. Those of us who have reared children during the past twenty years - or are still rearing than as I am - do not need to look for the evidence beyond our own front doors. And as always, the academics have confronted with the evidence - scientifically - in case we could not learn from our own experience. We have seen, and we have been taught, but we have not learned.

Individual and group behaviour are subjects for study in every business school, but not always - unfortunately - as a matter directly affecting the bottom line. Despite the work of the Tavistock Institute in Great Britain and institutions like Michigan's Industrial Relations School at Ann Arbor, and the distinguished contributions of individuals like Frederick Hertzberg, Douglas MacGregor and Eric Trist, the majority of employers appear determined to fight the battle of the 70's with the weapons of the 20's.

I would not like to have you go away thinking that it is only the business man that is to blame, and that the record of academics and behavioural scientists is absolutely pure in this area. Many - too many - academics have applied their understanding of individual and group needs and processes to a succession of fads, applied piecemeal and cosmetically to peripheral aspects of the corporate structure and the managerial process, careful not to challenge the traditional authoritarian role of management. Like snake oil salesmen, they have peddled their elixirs - job extension, job enlargement, differential reward systems, open and closed offices, sensitivity training, transactional analysis, the managerial grid, and a thousand other prescription drugs for the employer's medicine cabinet, with more concern for their profit than his.

Unfortunately, even the best of these patent medicines have focussed more on the symptoms than the substance of worker alienation. The common denominator of all of them is the "father knows best" syndrome - a series of consultant-built and management-implemented policies and practices, all promoted as "good for the workers". The missing ingredient in every one of these prescriptions is the common sense, experience and intelligence of the workers themselves, the fundamental ingredient of QWL.

If this is the state we are in - and I am sure some of you may wish to challenge my assessment - where do we go from here? How do we move the principal actors in the industrial relations drama - unions and employers - to come to grips with what I have described as a revolution in our time. Are both unions and employers so trapped in their own mythologies and rhetoric that they are incapable of changing their style to accommodate the new reality?

Canadian unions have adopted a responsible if cautious approach to the whole QWL area. They are certainly not prepared to abandon their historical approach to union-management relationships until they are convinced that new approaches can protect the interests of the employees they represent.

Traditionally, unions have focussed their energies on the achievement of wage and security provisions which they believe to be the basic prerequisites of the good life, and I doubt that you or I would disagree with them. Certainly Maslow does not.

Many unions, however, have recognized that relationships between business, the workers and the government which are based exclusively on competitive and confrontational approaches are not likely to serve the best interests of their members, much less that of the public as a whole.

But union-management cooperation does not make news, and many feel, with justification, that they have taken a

bum rap. Conflict makes copy in the media; cooperation does not. Consequently, the public hears a lot more about conflict than cooperation in labour relations.

There appears to be growing recognition in organized labour in Canada that consultative and collaborative approaches can solve problems which confrontation cannot. Unions and union leaders are perhaps faced with greater pressures for change than any of the other players. Within the union movement itself, there has always been the dichotomy between William Jennings Bryant and his "cross of gold" and Samuel Gompers' answer of "more". To move from a simplistic "more" to a complex "better" requires not only an intellectual change but an emotional change as well.

As a consequence, even those unions which are attracted by QWL, who see in it something which may well benefit their members, are at the same time concerned about the possibilities of manipulation by management and the potential weakening of their own position. The difference between the competitive - sometimes hostile - relationships of the negotiation processes, and the sorts of trust relationships which must be built up in QWL, are so great that they appear antithetical. Can labour relations be carried on in two such different arenas?

Businessmen are caught in similar intellectual and emotional dilemmas. Although manufacturing and service industries are beginning to recognize the increased efficiency and effectiveness which can derive from high morale and a sense of personal involvement on the part of the worker, they have nightmares about the effect that more democratic and participative processes may have on the bottom line. Confidence in radically new approaches does not develop overnight.

Nevertheless, business is learning to accept the imperatives of responsibility towards the environment, towards consumers and towards their employees.

If business is more interested in the results that are achieved by QWL environments than in the QWL environment itself, it is because they have exactly the same view of profits that unions have of wages and fringe benefits. They want to maximize them. Business' ultimate objective has to be the bottom line; anything which affects the bottom line in a positive sense is likely to be perceived by business as a good thing; and conversely, anything that is likely to affect it in a negative sense is seen as a bad thing. Because QWL appears to have positive effects on the bottom line, innovative managers are increasingly willing to at least test out this approach on an experimental basis.

Interestingly, managers who have tried a QWL approach appear to be enthusiastic about it on more than just a bottom line basis. The style which is implied by QWL is one with which the new generation of managers feels quite comfortable. Managers, particularly those who have come out of the business schools, have been encouraged to regard participation, involvement and cooperation as effective management techniques. They have been trained to work as members of a team with expectations of cooperative initiatives from other team members and they appear to be prepared to offer to all who are perceived as members of the team, the sort of rewards which go with accomplishment of mutual goals. If and when they recognize workers as a vital component of the production team, they do not find it difficult to apply the same principles of behaviour to the wider group.

I would like to make clear my view that the introduction of QWL need not, and indeed should not change the essential characteristic of the relationship between management and the unions - though I hasten to add, it can and should change the way that relationship is conducted. To a very large extent, the adversary relationship in collective bargaining is here to stay. QWL is not a substitute for unions. We must recognize that collective bargaining and QWL are concerned with two essentially different, though irretrievably linked, aspects of worker/management relationships. QWL is concerned with

making the pie and ensuring that it is as large and juicy as possible. Collective bargaining is concerned with sharing the pie, and that the workers achieve through the bargaining process as large a piece of that pie as they can. These two aspects of the work environment will continue to exist and I see no inconsistency between them. I advocate what might be called a "two-hat" relationship. The really effective labour relationship develops when both unions and management recognize and accept the two-hat relationship and know when to wear the one and when to wear the other. Tough collective bargaining is not incompatible with QWL. Union and worker cooperation to enhance productivity is not incompatible with a tough line at the bargaining table.

In looking at successful implementations of QWL principles, it is useful to start with developments in European countries where formalized approaches to employee participation in decision-making have been in place for some time. The best known applications of QWL principles in industry are probably those in Sweden, in the automobile industry and in the glass industry. In the United States, perhaps the best known applications are those carried out by General Foods in their Topeka, Kansas plant, and by the Rushton Mining Company whose QWL implementation was carried out under the guidance of Eric Trist. In Canada, Steinberg's, Lever Brothers,

Air Canada, Supreme Aluminum and the federal government have all been involved with interesting applications of QWL principles.

There are many others, of course, but not everyone who is doing it is talking about it. Publicity may lead to the "fishbowl syndrome". To a great extent, much of the QWL activity that is going on in Canada is a private affair, regulated, and carefully protected by its participants. As the Prime Minister might have put it, we have no business in the QWL project laboratories of the nation, except by invitation.

In the federal government QWL experiments have been carried out in three different departments during the past year. Three quite different work settings were chosen so that the effectiveness of the approach could be evaluated in a variety of settings. The three units chosen - all volunteers - were a group of income tax auditors in Revenue Canada located in London, a group of translators in the Secretary of State's office located in Ottawa and a group of keypunch operators, also located in Ottawa, at Statistics Canada. In each case, the problems were different as were the opportunities for improvement in both productivity and job satisfaction.

As in most QWL experiments, the results are somewhat mixed. Those involved report that productivity has improved slightly and worker satisfaction markedly.

In each experiment, the approach in terms of the involvement of the workers has been similar. The initial reaction of workers and managers to this instant immersion in industrial democracy was one of considerable anxiety. However, as support for the project, both in terms of resource personnel and in management commitment, became clearer, the participants appeared to become more confident, and less concerned about their new-found roles and responsibilities.

While these first three experiments within the federal government are continuing both their diffusion and the desirability of commencing a second generation of experiments, are under consideration.

Air Canada has been involved in several QWL experiments during the past two or three years. One of these is in the corporation's accounting office in Winnipeg. Generally, the approach in Air Canada has been to work on the socio-technical system. Tackling the socio-technical system requires evaluation of machine-person relationships with a view to redesigning the physical work place as well as the social, managerial control and operational systems.

The Winnipeg experiment was originally developed in a labour relations climate which, at the outset was charged with tension and hostility. The approach taken was to develop

quite intensive union and worker involvement in job design and in the design of the physical facilities which were required. This meant that the workers themselves were given assistance in a variety of areas which, when the experiment began, were unfamiliar to them. Very heavy emphasis was placed on training and development of the workers, and a good deal of off-line support was provided in the form of expert advice, counsel and indeed, where necessary, intervention in problems. Carl Johnston, who has been responsible for the development of QWL in Air Canada is with me tonight and will deal with any questions you may have about that experiment, or indeed - I hasten to add - any other question too technical for a politician.

The Steinberg experiment in Montreal is a particularly interesting application of the QWL approach in a labour intensive and highly competitive business area.

To a degree, the QWL approach in Steinberg's reflected both a corporate philosophy of the way in which human relations should be approached and a strategy to control what were seen as spiraling costs and unnecessary damage to goods. The QWL experiment which Steinberg's carried out began with one small warehouse after a good deal of negotiation and consultation with the union which represented all of the warehouse workers. Union and management agreed to carry out the experiment without undue interference from officials on either side and to ensure that both union and management were kept fully informed at all

times of what was happening. Over a period of time workers were gradually involved in scheduling, in determining shipping orders, in re-layout of the warehouse facility and eventually in budgeting, performance appraisal and job evaluation, as well as determination of salary and bonus systems as these would apply within their operation. In each case, they were given the opportunity to get specific training on the aspects of the job or process with which they were concerned, and changes were made only after consultation with all of the interested parties. The results have been sufficiently encouraging that the experiment has been institutionalized within the warehouse and extended to other warehouses on an experimental basis. This extension has received the full support of both union and management and is no longer perceived as particularly threatening by either party.

The Supreme Aluminum Company here in Toronto is the site of one of the longest running experiments in industrial democracy in Canada, and I am sure most of you will have heard or read about it. Management has been committed for many years to worker participation in decision-making at all levels of the enterprise, including a wide range of operating and control systems. Profit sharing is also an important dimension of this participative approach to employer-employee relations. Turn-over is low, productivity and morale are high; and both workers and management appear fully committed to this style of operating a company.

I have used the phrase "industrial democracy" in referring to the way things are done at Supreme Aluminum. This is a term which tends to get North American employers up tight. Industrial democracy has been narrowly interpreted as the representation of workers on boards of directors. Participation at the Board level is seen by most Canadian employers as a threat to the concept of private ownership and property rights. Unions tend to perceive it as a way to coopt them and to undermine their independence and integrity.

There are many forms and applications of industrial democracy, if we interpret the term in its general sense to reflect effective participation of workers in matters which affect their security, prosperity and well-being. QWL is a shop floor version of industrial democracy. Collective bargaining clearly falls within the same value framework. As for workers on Boards of Directors - which is a subject about which I have had a great deal to say during the past year - participation at that level might well have given the miners in Sudbury and Thompson a better handle on job security than they have achieved at the bargaining table.

Before I close, I would like to say a few words about how we hope to promote QWL concepts and initiatives in Canada.

We have proposed to organized labour, to business and to provincial governments that they participate with us in the creation of National Council for Quality of Working Life in

Canada, and that the Council establish a centre which would provide a focus and support for quality of working life activities throughout the country. Initially the Council and its centre would be financed by the federal government. Over time we would hope and expect financing to be more broadly based.

We see three major areas of activity for such a centre. The first of these is in the area of communication and promotion of quality of working life as an idea whose time has come. The centre would develop and maintain an information exchange which would include both Canadian and foreign books, articles, films and other material which could be of use to practitioners, businessmen or union officials. We also think the centre might publish a regular newsletter popular rather than academic - dealing with QWL developments and activities in Canada and abroad. Not to leave out the academics, however, we anticipate the publication of occasional papers and monographs directed at both general and specific audiences including as well, research reports and conference proceedings.

The QWL centre should also be involved in the organization of conferences for potential QWL users, both directly and indirectly. The centre would collaborate with, and provide financial, technical and administrative support to a variety of organizations and institutions including provincial governments, unions, employer associations and universities. Finally, in

the communication and promotion area, the centre might encourage the kind of gathering we are having here tonight, and in relation thereto distribute speeches, interviews, newsreleases etc. to ensure that the public at large becomes increasingly aware of the attempt that is being made to find that "better way".

The centre should also be concerned with the training and development of the individuals to function as facilitators of QWL experiments. This objective would be achieved partly through the organization of workshops both directly and in collaboration with other organizations, by the provision of bursaries and other assistance to individuals which would allow them to undertake training and facilitation through recognized courses and internships, and perhaps also through the provision of financial or other assistance for the development of QWL courses by educational institutions and organizations.

Finally, we see the QWL centre operating in the research and project area. It should be prepared to assist research studies conducted by individuals or university groups to advance QWL theory and knowledge, to provide advisory and diagnostic services to companies and other organizations interested in QWL activity, and it might also fund, on an occasional basis, QWL pilot projects.

I had hoped, when the idea of a QWL centre was first proposed, that the Council and centre would be operational before the end of this year. Unfortunately, this timetable has been disrupted because the Canadian Labour Congress remains committed to a policy of non participation in federal government consultative forums until the control program is ended. Since I do not wish to proceed without the cooperation of organized labour, we must await further developments and be prepared to move when circumstances are appropriate.

In the meantime, we will attempt to keep the ball rolling from within the Department and to encourage as best we can individuals, organizations, and institutions throughout Canada, who are interested in or already committed to QWL.

I believe that you in the business school can, over time, have a considerable effect in this area. You have a capacity not only to educate individuals who are interested in facilitation - a vital requirement in the next few years - but to work actively in the dissemination of information also to employers, unions and workers.

Finally, let me say, unequivocally, that I see no threat to our enterprise system from the introduction into the decision-making structure of corporations of participative concepts and democratic processes. I have great faith in private enterprise in this country, and in its ability to recognize things that will help it prosper, compete and grow.

I am certain that the private enterprise system, if it is informed and assisted in the application of QWL principles, will discover in this approach, solutions to very critical problems which do not respond to traditional treatments. I hope so, because we are all at risk and have a vital stake in the outcome.

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INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO A

NATIONAL SEMINAR

ON

OCCUPATIONAL SAFETY AND HEALTH LEGISLATION

SHERATON CENTRE

TORONTO, ONTARIO

WEDNESDAY, NOVEMBER 16, 1977

8:50 A.M. EST

I am glad to be participating in this important conference. In Canada we are beginning to pay more attention, belatedly it's true, to the issues which you will be discussing here today. Your concern will assist all of us in accepting our responsibility for making jobs safer and healthier.

In 1976 throughout Canada there were 11.6 million man-days lost due to strikes and lockouts. During the same period, it is estimated that there were more than 13 million man-days lost due to work injuries and work-related illnesses. On the financial side the result was close to 800 million dollars in compensation costs and indirect costs to workers, to industry and to the country at large. It is impossible to assess the loss in terms of human suffering.

All of which poses a number of questions: Are people really concerned about protecting safety and health? If the problem is not being solved by existing legislation and regulations should we scrap them? Should we make more regulations? Or should we seek another way?

Responsibility for occupational safety and health legislation in Canada is divided among so many agencies that it is frustrating to anyone trying to make jobs safer and healthier.

The division of responsibility looks like this:

In the federal government there are nine departments and agencies administering a total of 16 separate acts concerned in some degree with occupational safety and health.

In the provinces and territories there are some 45 departments and agencies administering 221 acts having application to occupational safety and health. Under these acts more than 400 sets of regulations have been issued setting standards and performance criteria.

What has been accomplished by all of this regulatory activity in the occupational safety and health field?

The answer is, not nearly enough, if one is to judge by the toll of workers suffering work injuries and health impairment as a result of conditions in the workplace.

Let me deal with the first question I posed, are people really concerned? I believe they are. The widespread interest in this particular conference is strong evidence of that.

The volume of mail my Department receives on the subject also indicates widespread public interest. One correspondent has taken my department to task for seeming to distort the facts of what is happening to people at the workplace by giving prominence to time lost through

strikes and lockouts. The writer goes on to say, "In my company we lose very little time due to strikes and lockouts. However, the lost days due to injury are starting to make the Battle of Waterloo look like a picnic. Over the past three months 87 accidents have resulted in 830 days lost. This is what is hurting national productivity. Just imagine, we expect to see an average of 29 people injured each month." Needless to say, the situation he describes is being thoroughly investigated.

But I do have to join issue with him when he tends to lay the blame at the government's door. In the broadest sense governments are legislators and the legislation they enact, by and large, reflects the needs and wishes of those they serve. But government cannot alone solve the problems that beset us, nor indeed can legislation on its own. If this were so, particularly in the field of safety and health we would only need one law, one enactment: "There shall be no accidents." Yet laughable as such a suggestion may appear this is the very thought behind much of existing safety and health legislation and new proposals that the government should be "doing something."

It is because of this that the federal government has proposed new initiatives seeking a co-ordinated solution to the problems from those most concerned--the employee, the employer and the government.

In the early days of the modern safety movement, research work by H.W. Heinrich of the Travellers Insurance Company, led him to write a book that became, and still is, a standard reference for safety professionals. In this work he developed the concept that all accident causes can be categorized into "unsafe conditions" or "unsafe acts." He also concluded from his research that 80 per cent of accident causes were in the category of unsafe acts and 20 per cent were unsafe conditions. Many people concluded erroneously from these results that because the final act in the accident sequence was usually the act of the workers, it was supposed that the employees were ~~therefore~~ the problem and efforts should be directed to curing their ills.

Some employers went further into the subject and developed safety programs aimed at influencing worker attitudes by education, training and involvement; at the same time other employers only corrected unsafe conditions when forced to do so by government inspectors. Many employers castigated the

employees as being "careless" and, with singular misunderstanding of human motivation, leaned towards safety rules and disciplinary procedures. If safe operations were not achieved, everybody would see that the blame was on the employees, who did not do what they were supposed to.

This premise is, of course, patently false and unfair. It ignores that every "unsafe condition" has to be preceded by an "unsafe act" on someone's part. An error in design by an architect, in layout by an engineer, in communication by a supervisor are all, in their way, unsafe acts, just as significant in the scheme of things as the unsafe act of the worker that results in immediate injury or damage.

Nor is the resultant injury the final tally in the problem. In some areas "damage only" related accidents have been shown to outnumber injury-producing accidents 600 to 1.

If, as we must, we accept these conditions as existing, we have to accept the fact, however, unwelcome as it may be, that it is men and women who by their own acts and omissions cause accidents.

We must not fall into the trap that those early disciples of Heinrich fell into. I am not referring to the unfortunate victim; I am referring to everyone who has contact with and input to the total enterprise of industry.

The management which does not provide proper facilities; the research department which puts into production a process which hitherto has been under strict laboratory control and now does not enjoy the same safeguards on the factory floor; the worker who cuts corners or does not apply his craft as circumspectly as he might. Other such examples could be given, but I think I have provided sufficient points to show the direction it is proposed that our future initiatives will take.

There has to be a better way and I think we are beginning to make progress in the development of a suitable model.

We must first realize that the causes of occupational injuries and illnesses are multiple and varied. Their control will only come when we have learned that it will require a joint effort on the part of management, labour and government to identify the hazards in the workplace and to develop strategies for their elimination.

In this effort we can no longer afford to dissipate our energies by duplication of effort; by relying on certain outmoded attitudes and practices which exclude employees from participation in decisions on occupational safety and health when it is these same employees who have the most at stake.

We must start with the premise that all workers have a fundamental right to an environment that neither damages their health nor imperils their safety. More and more Canadians are questioning the necessity of continuing to tolerate working conditions which produce such baleful effects upon workers and upon the operation of our enterprises.

Since the inception of Part IV of the Canada Labour Code in 1968, we in Labour Canada have fostered the concept that a government regulatory agency in the safety and health field can be most effective by working in partnership with management and labour rather than simply as an enforcer of safety regulations.

After all, safety regulations can at best only set minimum standards of what is reasonable at the time of their enactment and have seldom been effective against preventing long term disability. Two cases in point are the regulations dealing with emission of asbestos and silica-laden dusts into the atmosphere. These regulations were only introduced as a result of a generation of sufferers from respiratory ailments, and only then to compensate the sufferers for their disability. Even today some personal

protective equipment commonly used is no guarantee of safety and health.

We try, by means of such tools as the safety audit, to stimulate acceptance by both management and labour of their responsibilities for safety and health. We stress the importance of education and training in equipping people to cope with the problems in the workplace. Now we must jointly go much deeper into the problems until they are resolved.

We have suspected that plant inspections by safety inspectors can only detect a limited number of conditions, and we have found that such attempts to upgrade workplace conditions by government inspection alone is very costly and of limited effectiveness. The Chief Factory Inspector in Britain is on record as stating that of all the work injuries that are reported to his agency less than 15 per cent were caused by conditions in the workplace that could have been found and corrected by a competent factory inspector. The experience is no better in the Canadian context.

We obviously need better methods and approaches to identify and eliminate the undiscovered balance of occupational injury and illness causes. Nor should it be assumed that a

major part of the problem stems from the technological explosion that has led to the proliferation of chemical and other hazards in the workplace.

On this point I think a word of caution is needed. It is true that this era of technological change has produced many exotic materials, the full potential of some we do not yet appreciate. But we don't want to go overboard and suspect every innovation.

We must, of course, monitor new materials and processes very carefully and establish controls at the earliest stage of development before a suspect process reaches the workplace. With technological competence and prudence many hazards will be eliminated. It is a challenge to the integrity of all professionals that they work towards the rights of the individual to enjoy freedom from insidious hazard at his or her workplace.

But we must also realize that still the greatest hazards in the workplace are the manual handling of materials, operations at machinery and people falling over, in all accounting for some 86 per cent of all injuries. Whereas disability from industrial disease is currently accounting for 1.6 per cent of total injury. I am suggesting that there is a lot of work still to be done in dealing with the more mundane hazards of the workplace.

Leadership towards co-operative action in the development of better methods and techniques is a priority requirement. Two of the proposals in my new 14-point program are pertinent to this subject: the first is the creation of a Canadian Centre of Occupational Health and Safety that will develop and provide a source of expertise in safety and health matters available to all jurisdictions. Mr. Howard Currie will be talking to you later on this subject.

The other proposal relates to the encouragement of joint Labour-Management Safety and Health Committees in workplaces, supported by the technical and training resources of Labour Canada.

The key factor in the equation is, and will always remain, the worker himself. We cannot protect the worker without his active co-operation and participation. We see these committees as providing a useful and practical expression of the desire of workers to participate more actively in the resolution of problems that they encounter in the workplace. In my view, this desire on their part should be encouraged and the necessary mechanism should be put in place that will channel these efforts into the most productive results.

It may be recalled that for the past 35 years or more my Department has been promoting the establishment of labour-management committees in industry generally, and with some success. We will be going all out to further this success in the safety and health field.

To return to the theme of this conference "Law and the Workplace": I am committed to the proposition that there is a real need to consolidate the work of the federal agencies responsible for occupational safety and health, and to foster the acceptance of national standards by all jurisdictions. I am encouraged by the developments in a number of provinces that have consolidated the occupational safety and health responsibility in the Department of Labour. This I feel is the correct way to go and recognizes that factors affecting labour are interdependent and interrelated.

But let us resolve in our deliberations on the law as it concerns industrial practices that we not provide ammunition for modern day Mr. Bumbles to say, "Then if that is the law sir, the law is a h'ass."

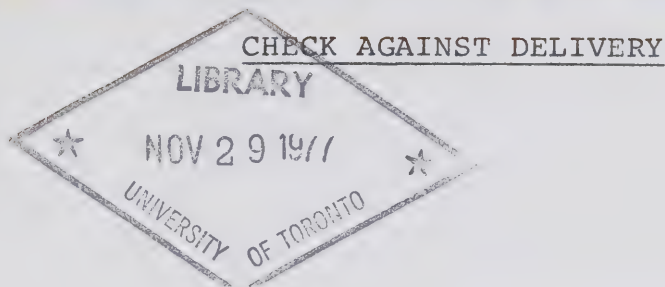
It would serve us better if we took and applied the concept of John Donne:

"No man is an island, entire of itself, every man is a piece of the continent, a part of the main."

Each part of our industrial continent is so dependent on the other that each must be considered as part of the main.

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INFORMATION



NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO

THE 51ST ANNUAL CONVENTION OF
THE ONTARIO TRUCKING ASSOCIATION

ROYAL YORK HOTEL

TORONTO, ONTARIO

TUESDAY, NOVEMBER 22, 1977

9:15 A.M. EDT



I want to speak to you today about productivity and how we should all be pulling together to improve our competitive situation.

A few weeks ago Premier Davis was confronted by some Japanese businessmen who told him, in effect, that they would hesitate to invest in Ontario, and in Canada for that matter, because of our poor productivity. The Japanese cited our unenviable record of man-days lost due to industrial disputes and our relatively high industrial wage levels as reasons for giving Canada an unfavourable rating.

What struck me about this encounter was not the perception which some Japanese businessmen have of the Canadian situation. I don't agree entirely with their assessment, and I'll tell you why in a moment.

But first, what bothered me about the encounter with Mr. Davis was the way so many Canadians were ready to cluck their tongues in agreement, and in doing so, to lay the blame on Canadian workers for our current economic difficulties.

Now, nobody underestimates the importance of a level of productivity for Canadian industry which at least matches the productivity of our major trading partners. Management doesn't underestimate it. Workers know where their bread is buttered. Certainly governments are aware. Our survival as an industrial nation, and our standard of living, depend on it.

We're going to hear a lot more about productivity in the coming weeks, and I personally welcome the public debate which can be anticipated. It's important that all Canadians, and in particular those who participate actively in the public discussion, have a factual understanding of all the elements which determine our competitive position.

The Japanese businessmen were right in their assessment that Canadian productivity has been hurt by our poor record of man-days lost due to strikes and lockouts. There are no two ways about it -- in the big league of international competition, our strike record has put us in the cellar. But give us this much

credit -- we are learning by our mistakes. Let me be an optimist in this, and I expect that events will prove me to be a realist.

Our Japanese critics, I suggest, were living in the past. They were talking about a situation which existed in the early 1970s but which turned around in 1976. I don't fault the Japanese for not being up-to-date; many Canadians who have better access to the information are also operating under a perception which is at least a year out of date.

Ironically perhaps, the introduction of wage and price controls in October, 1975, and the acceptance, with considerable reluctance, it's true, of the restraint program by the vast majority of Canadian workers marked the turning point in the number and duration of industrial disputes. For the past 12 months, and giving the credit that's due to the controls, our record of man-days lost has definitely taken a turn for the better. We still have too many man-days lost due to industrial disputes, but we have moved markedly out of the cellar. With

some additional improvement, we could reach the position where we would probably agree that the prevailing losses due to strikes and lockouts are an inevitable, and not too costly, price we must pay while exercising the democratic freedoms we all want to protect.

The second area of concern for the Japanese businessmen who rejected, temporarily at least, Mr. Davis' overtures for increased investment, was our wage levels.

It's no secret that current Canadian wage levels are among the highest in the world. In wage and fringe benefits across the board in the manufacturing sector, we probably come second after Sweden and ahead of the United States. Since wages constitute a significant, though varying, percentage of the cost of our exported products and services, it is of no small consequence when our wage costs are higher than those of our principal trading partner.

Two factors with respect to international comparisons, however, should not be forgotten. First,

wage levels tend to move in cycles. When wages, or any other costs, get out of line on an international competitive basis, there are correcting mechanisms which come into play through the normal market forces, and others which can be improved by governments.

The second factor about Canadian wage levels is that wages are determined essentially through collective bargaining. On an international basis, our wages have generally lagged behind those of the United States. It was essentially during a period when most U.S. industry was languishing in a domestic economic recession that average Canadian wage rates moved ahead relative to U.S. rates. The wage and price control program in Canada, and the improvement in the U.S. economy since 1973-74, have contributed to moderating some of the disparities in wage levels which had developed between the two countries.

There is also the question of definition. What do we mean by productivity?

Probably the most widely accepted definition refers to output per unit of labour.. We have kept such a definition because nobody has come up with a better one. So we compare productivity between countries on this crude basis, without any clear identification of the relative application of skilled workers as against unskilled, of labour as against capital, of new plant against outdated equipment, and without any appreciation of the level of management skills or the corporate decisions affecting access to capital, technology and markets.

One consequence of this complex process -- the consequence of defining a complicated concept in terms of output per unit of labour -- is to lay the blame on workers when a comparison of our productivity and some other country's comes off badly for us.

When we fall into that trap, the reaction of Canadian workers is predictable. Canadian workers don't like unjustified criticism any more than anybody else.

The only way out is to face up to the reality

that the level of productivity depends on workers and management pulling together. It depends on the ability to achieve the optimum size of production facilities, the application of the right mix of worker skills, management ingenuity and capital investment, equal access to world markets, and so on.

Finally, what are we doing in government to help Canadians achieve improved levels of productivity? I will refer only briefly to the incentives which have been made available by my colleague, the Minister of Finance. I am thinking in particular of the tax cuts which will make an extra \$700 million dollars available to consumers in January and February, 1978, the more than one billion dollars that will be made available to Canada Works and Young Canada Works over this fiscal year and the next fiscal year, the millions of dollars which are continuing to be applied to manpower training and manpower mobility grants, and the tax incentives to business and industry to update their plant and equipment.

Equally important in my view are the 14-points which I announced a year ago, and several of which are now moving forward into the labour relations system and right down to the shop floor.

The objective of the 14-point program is simply this: they are intended to assist labour and management in working better...together.

I don't have time to go over all the 14-points here, but let me refer to a few of the ways they will help to improve Canada's competitive position.

First, there are some initiatives under the 14-points which are intended to upgrade the quality of justice on the job. It should go without saying that workers who feel their employment relationship undermines their dignity and self-respect will not be the most productive workers.

Last month I introduced some wide-sweeping amendments to the Canada Labour Code which will go a long way toward giving unorganized workers many of the job protection measures which workers under collective agreements now take for granted. Under this legislation,

which will soon go to second reading in the House of Commons:

. I am proposing to extend to all workers in federal industries the right to up to three days' paid bereavement leave in the event of a death in the immediate family. This is a benefit which has become standard practice in collective agreements. Its extension to the unorganized sector is long overdue.

. I am proposing protection against dismissal for workers who are absent from work for a period of up to 12 weeks because of sickness or injury.

. I am proposing that the present maternity leave provision be extended to prevent the dismissal of pregnant employees who have less than 12 months' service.

. We have had cases in which employers have refused to pay wages earned by their employees, so we are adding a section requiring the prompt and regular payment of wages.

. I am proposing an appeal procedure for employees who believe they have been unjustly dismissed.

. And I am proposing to establish for all workers in federal industries the right to refuse work they regard as unsafe.

I believe that good employers will support the extension of these rights to unorganized workers.

A second category of initiatives in the 14-points can assist in improving our productivity by helping to make collective bargaining work better. These include a proposal for a collective bargaining information centre, which would collate and distribute economic and compensation data to trade unions and employees; a proposal for encouraging broader-based bargaining in some of our industries which are highly sensitive to breakdown; and a program for training trade union professionals which we have inaugurated with the Canadian Labour Congress.

A third category of initiatives under the 14-points could give our productivity a boost by improving the whole climate of labour-management relations. For the last year or two, I have been urging Canadians to foresake our excessive commitment to confrontation. We could do this in a lot of ways. We could restrain

ourselves from engaging in the rhetoric which depicts trade unionists as being irresponsible and greedy, and which characterize employers as exploiters and robber barons. We could agree, on one hand, that trade unions are here to stay; and on the other, that corporations need to make a reasonable profit.

But we have to do more than merely exhort trade unionists and management to adopt new attitudes. I am proposing to assist labour and management in reducing their over-commitment to the adversary aspects of collective bargaining by the establishment of new mechanisms which would remove some of the contentious issues from the bargaining table.

One of the proposals is for the establishment of a Quality of Working Life Centre, which would gather and disseminate information on experiments in the Canadian workplace on worker participation and job satisfaction schemes. I must admit to you that I have encountered a healthy scepticism on the part of some labour leaders and corporate executives toward this proposal. Some critics in the media describe the

proposals as "airy-fairy". But I'm not discouraged. I'm personally convinced that trade unions will not deny their membership the opportunity of at least trying some experiments in participation which are aimed at treating workers like human beings, and which would complement the goals they are now pursuing within the collective bargaining process. And I am equally convinced that management cannot afford to ignore the advantages that quality of work life experiments offer to increased productivity.

We can expect to see quiet progress made in improving the quality of work life. The practical approach that is evident in this field in western Europe and the United States will give new impetus to our own efforts. As an example, the Work in American Institute, a private foundation in the United States, is marking its third birthday next May with a three-day symposium on new attitudes, new approaches and new organizational structures that will likely be needed in the workplace of the 1980's. It's significant that the symposium will be co-chaired by the chairman of the Exxon Corporation and the secretary-treasurer of the AFL-CIO.

Finally, we are moving ahead with our proposal for a Canadian Occupational Health and Safety Institute, which I envisage will co-ordinate the research and public information efforts of the numerous federal agencies now doing work in this field, and as many of the provinces as will join in such an endeavour. It is not our intention to build another federal bureaucracy, but rather to turn the institute over to a tripartite board consisting of representatives of the labour movement and employers, and with government in a minority position.

The legislation I am now introducing will complement the work of the institute by encouraging the establishment of joint labour-management safety committees at the plant level.

Each of those initiatives appears to me to have great potential for improving labour-management relations in Canada. But they won't work, they won't be able to make a contribution to labour peace and industrial productivity, without labour and management support. There is no doubt in my mind that the road to increased labour-management co-operation is the road we must choose.

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INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO

THE CANADIAN BUSINESS AND INDUSTRY

INTERNATIONAL ADVISORY COMMITTEE

RIDEAU CLUB

OTTAWA

MONDAY, DECEMBER 12, 1977

1:00 P.M. EST



I am pleased to have this opportunity for discussing with you the prospects for continuing Canadian support of the International Labour Organization, which is one of the principal items of your agenda for this meeting. I would also like to speak about opportunities for extending ILO values and relationships to our domestic problems.

When we engage in an accountability session on a venerable international organization, we should not do so lightly or irreverently. The ILO has been around for a long time -- at 58 years of age it is the oldest United Nations organization and the only UN organization which is concerned with the promotion of improved labour standards and workers' rights around the world.

I believe that I am correct in suggesting that this session is, in part, prompted by the recent decision of the United States to withdraw its support from the ILO. If the United States has come to the conclusion that it cannot, in good conscience, continue its support, should Canada also withdraw?

This is not a decision which the federal government could make without consulting its ILO partners. Our representation in the ILO, as required by the constitution, is comprised of three separate and independent interests.

The Canadian delegation consists of nominees of the employer community, nominees of the labour movements, and appointees of the federal and provincial governments. If the employer community, or the labour movement, declined to nominate members to the Canadian delegation, the essential character of our representation at the ILO would be destroyed.

We know that the labour movement, represented by the Canadian Labour Congress, continues to support the ILO. Joe Morris was prompt and unequivocal in his statement of support. Mr. Morris said the U.S. decision to withdraw would be welcomed by the tyrannical governments of the world, "not the free workers or their brothers who see the ILO as a beacon guiding them to freedom."

The federal government also continues its support, and I have not received from any of the provinces a recommendation for our withdrawal.

When President Carter made the withdrawal announcement last month, my response on behalf of the government was that I was saddened by the U.S. decision. But I expressed the wish that events in the coming months would make it possible for the United States to reverse its decision.

This committee co-ordinates the international labour relations activities of the principal employer organizations in Canada. Therefore, in your deliberations on the question of Canada's continuing support, and your continuing participation, I would urge you to reflect on the motivation of the U.S. government, and also on the statement of Labor Secretary Ray Marshall explaining the U.S. withdrawal.

The United States gave two years' notice that it would leave the ILO, and these are the words of President Carter, "unless corrective measures were taken to restore that organization's commitment to its original purposes." In announcing the withdrawal, President Carter said the United States "remains ready to return" when the ILO is again true to its proper principles and procedures.

Secretary Marshall's explanation of the U.S. decision, I believe, should be given careful consideration by Canadians. Mr. Marshall said this was a difficult decision for the United States. The United States continues to believe in the ILO's potential to deal with the problems of working people throughout the world, but unfortunately the ILO is not living up to that potential.

Mr. Marshall went on to say that humanitarian considerations alone dictate the need for workers to have decent wages, good working conditions and freedom of association. But in addition, we live in a world where working conditions in one country affect working conditions in other countries. A liberal trade policy, Mr. Marshall noted, is only possible when minimum labour standards apply and countries compete fairly.

Finally, Mr. Marshall said that the Carter Administration will maintain its cabinet-level committee on the ILO, and it will continue to work toward the day when the United States can rejoin.

From a Canadian perspective, we also resent the tendency of a significant number of delegations to use the ILO annual convention as a forum for alien political controversies, in particular the Arab-Israeli dispute. But for the time being at least, I believe it is in Canada's interest, and the interest of the humanitarian ideals on which the ILO was founded, for us to continue the fight for reform and good Parliamentary procedure inside the ILO and not to abandon the ILO to those who would misuse the rules.

We are proud of our democratic traditions. We are proud of our respect for the rule of law. We are proud of our freedom of association, our commitment to collective bargaining, our support for human rights. The ILO has its problems, but so do most organizations with diverse memberships. We should stay in the ILO and prove that the democratic and free societies offer the best hope for all mankind.

In addition to considering your continuing support to the ideals and the programs of the ILO, I would urge the members of this labour relations and social affairs committee to ask serious questions about your commitment to the consultation process between employers, the labour movement and government in our domestic affairs.

Canada was a founding member of the ILO. For 58 years, with the exception of the war years, we have been participating in an on-going consultation process in international labour relations. Labour delegations representing the trade union movement of Canada, and employer delegations representing the principal employers of Canada have been going to annual conventions in Geneva, and working in committees between annual conventions, together with the government delegation, year after year.

Despite the recent withdrawal of the United States, nobody questions the valuable contribution the ILO has made over the years to the upgrading of labour standards, the reinforcing of human rights and the promotion of freedom of association. The advances which have been made are the direct result of the consultation process which has involved the three parties.

My question to you is simply this: will you make that same commitment to a consultation process which would deal with the industrial relations problems we face in Canada? I believe that you could give me an unequivocal yes because it is in your own selfish interest, just as it is in the selfish interest of the labour movement, to do so.

This meeting today comes at an opportune time for examining this question. In less than four months we will start to move out of the control program, and into a decontrol process. In less than four months, the Canadian Labour Congress will bring up for reconsideration and possible modification, its policy on consultation with business and government. The position on consultation which the business community adopts could have critical bearing on the direction which the labour movement will choose.

I suggest there are only two choices -- either co-operation that follows from consultation among equal social partners, or confrontation which inevitably develops when the social partners do not trust each other.

It sometimes perplexes me that Canadians -- including yourselves, labour leaders, government officials and politicians -- can go to Europe and the ILO every year, and to the other international organizations which are based on co-operation between the three parties, and not come to the obvious conclusion that we could use the same approach to our domestic industrial relations problems.

It frustrates me that we watch our major trading partners, including the United States, the western European countries and Japan, establishing consultation mechanisms -- and somehow we don't do anything about setting up a consultation process that would be appropriate to the Canadian situation.

We are envious of the better economic performance, we remark on the better industrial relations climate in many of these countries. But we avoid opportunities for experimenting in consultation processes which could have a dramatic impact on both labour peace and productivity in this country.

Let me digress for a moment to comment on our record of labour strife.

Time lost due to strikes and lockouts in 1977 (based on the first nine months) is much less than in the past few years -- in fact, it is the lowest since 1971.

Time lost through industrial disputes has seldom amounted to more than one-half of one percent of total working time in a year; however, in the present year it is running at a rate of less than one-fifth of one percent.

To view this in perspective it should be noted that one day per year represents about 0.4 percent of total working time, so strike time lost this year is equivalent to less than half a day per worker. This is far less than time lost through many other causes such as work injuries, absenteeism, illness or perhaps even bad weather.

Recent international comparisons of work stoppages published by the ILO or based on ILO data, show Canada to be among the leaders in terms of time lost in strikes and lockouts during the past few years.

However, such comparisons can be misleading because of different definitions and different inclusions and exclusions. For example, in many countries statistics do not include politically motivated work-stoppages; in some countries public service strikes are not counted; in some countries the first few days or the first week of a strike are not counted.

Furthermore, although Canada was at, or near, the top of the international standings during the first half of the 1970's, the increase since the 1960's has been less in Canada than in several other countries, including West Germany and Sweden which have sometimes been pointed out as countries we should emulate in industrial relations.

In drawing conclusions from the high strike level of the past few years it must be noted that Canadian workers are not strike-happy. A large part of the time lost was accounted for by a few incidents or circumstances which were peculiar to a period. The advent of collective bargaining in the public and parapublic sectors was the occasion for a display of militancy by some unions and perhaps inappropriate responses by some employers faced with a new alignment of rights and power.

The anti-inflation program was also a unique feature of the past two years. Some work stoppages resulted from the fact that some unions were inclined to challenge the power of employers and/or the AIB to limit negotiated wage increases. Once the authority of the AIB was accepted, its rulings did not trigger many work stoppages.

A further perspective on labour-management relations can be gained by reference to the amount of time negotiations take. Again, the trend is encouraging. The average period required to complete negotiations in industries employing 500 or more declined to 7.1 months for the first three quarters of the present year compared with virtually a whole year -- 11.9 months, to be exact -- for the same period of 1976.

Returning now to the prospects for consultation mechanisms, I do see a change coming. It's a change based on the need for new attitudes and new approaches.

We can give the wage and price control program some credit for pushing us closer to a position where we are all more willing to take the first steps toward consultation.

A few months after the imposition of the control program, the Canadian Labour Congress adopted what has become known as its Quebec Manifesto, at the Quebec City convention of 1976. The Manifesto could be viewed as recognition that there is no advantage in returning to the conditions that provoked the controls program in the first place. Experience has shown that the trade union movement could no longer rely on a highly fragmented and disoriented bargaining system, nor on periodic lobbying with government. The Manifesto proclaimed that the labour movement is prepared to accept wider responsibilities provided that together with business and government, it would be in a position to participate equally with business and government in the decision-making process concerning the economy.

The idea that organized labour and business should be associated with government in shaping medium- and long-range economic and social policies is not new. This was, after all, the idea underlying the creation of the Economic Council of Canada. What seems unfortunate, and what has created a good deal of confusion inside and outside the labour movement, was that the proposal was presented under the highly evocative concept of "tripartism". The impression

was given that what was contemplated was the domination of the economy by "big labour", "big business" and "big government". Critics of the Manifesto warned that the government, if it were to follow this direction, would arrogate to labour and business some of the powers and prerogatives of Parliament. No doubt the language of the Manifesto went too far, and various members of the labour movement were among the first to recognize some of the pitfalls.

More serious, certainly from the point of view of one like myself who recognizes the potential benefits that would flow from consultation, has been the erosion of support within the labour movement for the positive aspects of the Manifesto. Some labour leaders, and some affiliates of the Congress, now view consultation as a threat to union independence. Instead of embracing the consultation process as a means of complementing collective bargaining, they have rejected consultation as "cozying up to the bosses". They are recommending that the labour movement go back to its traditional posture of confrontation.

I am encouraged that Joe Morris continues to support consultation as the only way for the labour movement.

If we can agree that there may be some benefit for all of us in a new approach based on the establishment of consultative mechanisms, probably the first step should be to forget the word "tripartism". Because it's firmly associated with the idea of derogating the powers of Parliament, let's drop the word but press forward with the development of the consultative process.

The next step is to try to reach agreement on a consultative framework oriented to practical, easily-recognized industrial relations functions.

Two years ago we reached agreement in principle for setting up a consultative mechanism which would collate and publish collective bargaining information. We reached this consensus in the Canada Labour Relations Council. Unfortunately, the consultation promoted by this Council was interrupted when the Congress withdrew its participation over the wage and price control program. The management of such a data center would be shared equally by labour and management. The government's role would be providing for secretarial and research support. The center would not be part of the bureaucracy; it would be a semi-autonomous agency serving trade unions and employers in the collective bargaining process.

I believe we could also get labour and business support for another practical, functional mechanism which I have proposed under the 14-point program -- the Canadian Centre for Occupational Health and Safety. In proposing such a centre the government is responding to a demonstrated need. We lose more manhours from occupational accidents and work-related illnesses than from industrial disputes. But we can't legislate new attitudes toward health and safety; and we can't afford to duplicate efforts at the federal and regional levels for coping with new toxic materials, alcoholism, and other health hazards. We can only meet these complex problems head on through the co-operation of labour, management and government.

I am aware of the hackles which are raised among some businessmen by the very mention of an occupational health and safety centre. The knee-jerk reaction is to oppose what is conceived as another federal bureaucracy, as more government interference in business. But I believe that this does not represent the reaction of the majority of business people.

I have read some of the responses by the chief executives of some of the major Canadian corporations to the government's discussion paper, "Agenda for Co-operation". They were essentially in agreement -- and I am sure that most of you are, too -- with the support which the paper gave to the need for reinforcing the private sector. These responses replied favourably to the paper's declaration that private markets and private decisions are at the core of Canada's economic activity, and "the government's responsibility is to ensure a climate within which the private sector can expand with confidence."

The collective bargaining centre and the occupational health and safety centre are two examples of consultative mechanisms which would help to create a better climate for collective bargaining and a better climate for labour-management co-operation. They are not proposals for interfering in private decisions. They are intended to assist labour and management in their private decision-making and in their on-going relationship.

I have also proposed a Canadian forum acceptable to business and labour and representing other important interests for continuing consultation on the formidable

array of economic problems with which we are confronted. Over the post-war period we accepted the notion that it was up to the federal government to manage the economy. More recently, certainly since the introduction of the wage and price controls program, we have come to a greater appreciation of the considerable economic impact of the other levels of government. While governments can, and should, influence the general conditions under which the private sector operates, government cannot ensure that the actions of private decision-makers are consistent with the goals pursued by government. Nor can governments be certain that their policies are consistent with the needs of private decision-makers. The alternatives are either consultation and co-operation or increased government interference and regulation.

Finally, there is the need for developing a mechanism for consultation in the post-control period. We have not been successful in persuading the labour movement, and we have had only limited success with the business community, that labour and business should join with government in a consultative agency which would monitor price increases and wage settlements after the controls are lifted.

Many have told the government, You didn't consult us when you got us into controls, don't ask us to bail you out. It is important that Canadians feel confident that restraint will be exercised in the post-controls period evenly and fairly by all sectors of the economy. Without this climate of confidence, the decontrol period will not be conducive to industrial peace and economic stability.

Members of this committee have worked and lived in the consultation process along with labour and government representatives for most of your business and professional life. You have helped make it work for improving labour standards in the international field. You have intimate knowledge of the consultation mechanisms which have been established for improving labour relations and better productivity in some of the industrial countries. I urge you to set aside your fears about experimenting with consultative mechanisms here in Canada. The time is right.

INFORMATION

TEXT OF A STATEMENT

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

AT

LABRADOR CITY AND WABUSH

LABRADOR AND NEWFOUNDLAND



FRIDAY, DECEMBER 16, 1977

(TOUR: IRON ORE COMPANY OF CANADA AND WABUSH MINES OPERATIONS)

Anyone who thinks distance means the boondocks any more is sadly mistaken. Communities like Wabush and Labrador City are vital to Canada. The concerns and views of the thousands of people who live and work here are equally important.

There are 30,000 people in this area. The steelworkers, one of the most important and well organized groups in the country, represent 3,000 people in these communities alone.

The iron ore industry is worth more than a billion dollars a year to Canada. More than half of that total comes from operations here in Labrador. It is a strong industry which in spite of weakening markets abroad has held up relatively well for a number of reasons. Geographically and politically you are rubbing shoulders with three provinces.

These are things that are not remote to the well-being of Canada and other Canadians. What happens here; how people here live and feel communicates itself through a network of links to many parts of the country. By the same token what happens elsewhere must make itself felt here.

For example, there are tremendous links between this area and my own city of Hamilton which is another steelworker stronghold and the home of two highly efficient steel making enterprises with large interests in some of the operations here.

However, I'm not only talking about economic links, important though they are. The people who live and work here have personal ties with people in other parts of the country. How you arrange your working and living relationships among yourselves is important. How Canadians in other regions of the country decide to arrange or rearrange their affairs will affect you and the opportunities your children will have.

When we talk of programs to increase the opportunities of Canadians to work in French and English; when we talk about constitutional change; when we talk about recognizing social change, the people of Labrador and Wabush have a stake in it. They have a contribution to make because they will live with results just as much, and in some cases more, than a person in Regina or Toronto or Ottawa.

Now I'd like to turn to some specific areas involving economic and social change.

As you know, I have been promoting a 14-point program covering a wide range of measures that I think will help unions, industry and workers generally in this country. Recently some of these measures were introduced into the House of Commons as part of a package of amendments to the Canada Labour Code.

I believe these measures recognize both the changing economic and social picture in Canada. I think they can have a significant impact in both these areas because they recognize that Canadian workers are better educated, more skilled and very much involved in changing conditions in Canada.

At the same time I believe the measures recognize and provide some answers to coping with what I think most people agree with is a changed economic environment in which Canada is operating. We are, in Canada, presently going through some difficult economic adjustments. We're finding the world has become increasingly competitive. Energy is scarcer and more expensive. As a result we are looking at slower growth -- not no growth -- but slower growth and sharper competition for markets.

Now I believe Canadian workers have been taking a bit of a bum rap both for low productivity and our poor labour relations record.

In the first place, recent reports show that in many areas we have been improving our productivity and narrowing the gap with our largest trading partner, the U.S. Where we have invested in new plants and equipment, and have been aggressive, as we have in the steel industry, then we're damned competitive.

As far as our strike and lock-out record is concerned, it has been terrible. But I think there is a tendency to lock ourselves into a time frame of a few years ago and forget that the record has been improving since.

Nevertheless, there is no doubt that we must do better in both these areas. At this stage in the game we cannot afford either to lose out because we're not producing goods at a price the customer will pay or can afford. We cannot afford to lose out because we're not producing or delivering because plants or services are shut down by industrial disputes.

At the same time, some of our industries are going through some painful periods and we're going to have to be innovative if lives aren't going to be shattered in the process and possibly permanent damage done to our society.

In all these areas I believe labour relations is an important ingredient. Whatever can be done to build a climate of trust, remove some of the unnecessary aggravations that cause or prolong disputes between management and labour should be done.

By impementing various measures and proposals, however, I want to stress the government is not imposing itself more at the bargaining table. We are hoping to assist in improving the traditional relationships not disrupt or replace them. I reject absolutely the notion that we are promoting corporatism or replacing unions with some form of welfare statism for workers. The government's role is a back up one. We recognize that the most successful solutions are going to come from the parties involved.

So let me outline briefly some of the measures I referred to earlier:

Worker safety: Nothing can be so devastating either personally or to employee-employer relations as unsafe or unhealthy working conditions. Those who are asked to run the risk of accident should have a right and a responsibility to prevent that accident.

Therefore, in Bill C - 8 there are provisions for the establishment of employee - employer safety committees which would work together to pinpoint and eliminate hazards in a way no amount of government regulations and inspection can. At the same time workers would have the right to down tools without loss of pay if they feel conditions expose them to serious injury.

In a related proposal, the government intends to establish a national centre of occupational health and safety to co-ordinate research and develop methods of overcoming hazards. This would be run by representatives of labour and management with government playing a supportive role.

Improving the Labour-Relations System: Other measures in the bill will speed up certification procedures and encourage broader based bargaining, improve the grievance system and allow for the establishment of first agreements in situations where an inability to reach an agreement would amount to breaking the union.

The Bill also extends to unorganized workers some basic protections, such as the right to appeal unjust dismissals and the right to be paid regularly.

These measures, I believe, will help remove some of the frustrations that tend to have an impact on the negotiating table. They will, at the same time strengthen the union movement as a cohesive and responsive sector of our society.

Employee - Employer Participation: I am also proposing a Collective Bargaining Data centre and a Quality of Working Life centre. The Data Centre would seek to provide basic agreed upon data to both management and labour. The Quality of Working Life Centre would examine and promote various ideas in which employees and employers can work together, as many responsible companies do now in safety, to the betterment of both.

Because it is evident that solutions of this type can not be imposed and would not work if they were, both these centres would be run by management and labour jointly with government again operating in a supportive role.

In conclusion, let me say that neither labour, government or management alone can create jobs and ensure a decent life for Canadians. If we are to remain prosperous and enjoy the riches and opportunities this land still has in spite of our present difficulties then we will have to find better ways of working together.

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INFORMATION

NOTES FOR A STATEMENT

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

TO THE

MEETING OF MINISTERS OF LABOUR

QUEBEC CITY

JANUARY 23-24, 1978



May I say how delighted I am to be here in Quebec City as guest of the Government of Quebec. The fact that we as Ministers of Labour representing our various jurisdictions are meeting together under the co-chairmanship of the Minister of Labour of Quebec, the Honourable Pierre Marc Johnson, and myself is, I believe, symbolic of a desire by all of us to discuss common labour relations problems, which affect us no matter what jurisdiction we may represent.

I am sure that the economic events of the past couple of years, marked as they have been by high levels of inflation accompanied by high levels of unemployment have brought home to each of us the interrelationship between labour relations and the state of economy. As a result, I believe there is now a greater appreciation by all jurisdictions of the impact that industrial relations can have on the total economic picture, whether those actions be national or regional in scope.

The medium-term economic outlook which will be revealed to you from a federal perspective later today suggests to me that labour relations will continue to loom large in the overall scheme of things. I believe what we are now witnessing is a recognition of labour relations as an important component of economic policy-making, which takes us as Ministers of Labour beyond our more traditional portfolio role of setting standards and mediating disputes.

Given the importance of labour relations in the area of economic policy development, I think it is important that we as Ministers responsible for the labour relations climate provide input into that development from our perspective. I know that my colleagues in Ottawa responsible for the major economic portfolios are more than willing to take into consideration the labour relations perspective. The difficulty that I have as federal Minister of Labour is that in this process I cannot speak for that very large and crucial area of labour relations for which you have responsibility. Accordingly, I am inviting you over the next couple of days and at any future meetings which we may mutually consider to be necessary, to work cooperatively to develop that input.

Looking at the short-term situation, we will be faced within a couple of months with the phasing out of controls and with the beginning of operations of an important new institution, the Monitoring Agency. I understand that our deputies have held extensive discussions with respect to that Agency over the past couple of weeks and have come up with useful ideas and, I might say, with some concerns, as to how the Agency might be developed. The proposals for the development of the Agency are not yet cast in stone and I am hopeful that over the course of the next couple of days, as a group, we can make some recommendations as to

how the Agency might operate to maximum effectiveness while at the same time preserving the essential concept of free collective bargaining to which, as Ministers of Labour, we are all committed.

Viewing the medium-term, I believe our deputies have also had some preliminary discussions on the sectoral studies which are being undertaken by the various economic agencies. Again, I am most anxious that any conclusions drawn from these studies not be based solely on economic considerations, but that the human relations and social aspects in which we as Ministers of Labour have a particular interest also feature in the equation. I am, therefore, hopeful that we can work cooperatively in providing joint input into these studies in the interests of developing a well-rounded sectoral strategy.

Lest my plea for a collaborative federal-provincial approach to labour relations be misconstrued as some machiavellian scheme on my part to extend the federal presence in labour relations into areas which quite legitimately fall under your jurisdiction let me assure you that this is not the case. I sincerely believe that industrial relations systems should be tailored to fit local and regional needs. However, I also believe that the increasing impact of labour relations on the total economic picture and the tendency of both labour and management to operate on a trans-provincial

basis warrant a closer federal-provincial approach to labour relations issues without detracting one whit from the jurisdiction you now have in this area.

Our respective First Ministers have already held preliminary discussions on the state of the economy. As a result of our meeting of the next couple of days, let us be in a position to assure them at their meeting next month that as Ministers of Labour, we are prepared to work together in any way we can to do everything from a labour relations point of view to ensure that the economy is placed on a viable and stable footing, which is surely in the best interest of all of us, irrespective of jurisdiction.

I judge this meeting to be extremely important and one which provides us with an opportunity to work cooperatively to the betterment of our industrial relations system and I am proud to be associated with it as Co-Chairman.

INFORMATION

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO

THE UNITED FISHERMEN AND ALLIED WORKERS UNION

FISHERMEN'S HALL

VANCOUVER, BRITISH COLUMBIA

SATURDAY, FEBRUARY 4, 1978

10:00 AM PDT

I am glad of the opportunity to speak to your annual meeting. It is always an honour for a Minister of Labour to meet workers in their union hall. I would like to recall a little recent history, and tell you about some of my new proposals which will improve the safety and job conditions of Canadian workers.

This meeting comes just ten weeks before an important date in Canadian history, a day which will be an occasion for some kind of celebration in trade union ranks. I am referring, of course, to the start of the decontrol process of the anti-inflation program April 14.

Let me recall a meeting which I had with trade unionists, including some of you here, more than two years ago. I was a guest speaker at the annual convention of the B.C. Federation of Labour at the Hotel Vancouver on November 7, 1975. I had accepted the invitation from Secretary-Treasurer Len Guy before the controls program was announced, and there were many who advised me to cancel my plans to come to the convention. But I declined this advice on the grounds that the delegates had the right to know about the anti-inflation program from their Minister of Labour. Besides that, I wanted to remind the delegates that

I was committed, and the federal government was committed, to free collective bargaining and the controls program was only a temporary interruption in the process. The controls did not deny collective bargaining, but they did place restrictions around it.

I think you will recall that I told the B.C. Federation at that time that I had argued consistently over the previous year and a half that the inflation we were all suffering from was not the result of wage and salary settlements. Just the opposite was the case. Wages and salaries were trying to catch up with rapidly rising prices of food, clothing and shelter that workers needed to buy. Workers could not be faulted for trying to protect their purchasing power. I went on to say that Canadians, in all sectors, were beginning to make the most dire predictions of future inflation and were trying to protect themselves by increasing their prices, and raising their wage demands, beyond the capacity of the economy. In that kind of runaway inflation psychology, it was the poor, the weak and the unorganized who would suffer most severely.

Finally, I told the B.C. Federation that the labour movement and the government had a lot in common. You didn't like controls, and we didn't like controls. We brought in the controls program reluctantly, and we said we were determined to get out of the controls as soon as possible. That's what we are doing by the phasing out exercise starting in ten weeks, over eight months before the statutory termination date.

Now that controls are coming to an end, I would like to express my appreciation for the support which the workers of Canada have given, reluctantly, it may be true, to the anti-inflation program. I would agree with you that Canadians don't cherish controls, but we all knew that we as a society had to do something to fight back the devastating impact of rising prices. With all its shortcomings and its rough justice, I give the controls program a lot of the credit for breaking the inflationary psychology of two and three years ago. But I give the greatest measure of the credit to Canadians who quietly swallowed the nasty medicine and went along with the program. In that category I include tens of thousands of trade unionists who settled their new collective agreements within the guidelines.

Now that we're getting ready to phase out the controls, what are our priorities?

I think you will agree our priorities include inflation, unemployment and our international competitive position. There are others, but these three are among the most important.

Our concern over inflation does not end with the phasing out of controls. We experienced a marked cut back in our rate of increase in price levels in the first year of the control program. It dropped from 10.6 per cent at the end of 1975 to 5.8 per cent at the end of 1976. But last year there was a gradual upward trend in the Consumer Price Index to 9.5 per cent December 1977 over December 1976, largely as a result of increases in the prices of fresh fruit and vegetables which we import.

The government is now preparing to introduce legislation which will establish a monitoring agency over prices and wages. Starting April 14 we will no longer have mandatory controls, but we must substitute voluntary restraint. The monitoring agency would be a watchdog over our efforts to maintain that voluntary restraint. The agency would not have the power to roll back prices and wages, but it would perform an important function.

It would be able to inform Canadians as to prices and wages that were getting out of line. It would give us a much earlier warning in the event that our costs and prices jeopardized our international competitive position.

Another priority, from the government's point of view, is to establish consultative arrangements with the provinces, labour and business so that together we can tackle problems of unemployment and our international competitive position.

During the last two to three years I have been insisting in government, and in public, that the labour movement be invited to play a greater role, an active role, in national consultative bodies which would be concerned with economics and social policy. I believe that this is the direction in which the leadership and the membership of the labour movement are determined to go. The manifesto which was adopted at the 1976 convention of the Canadian Labour Congress endorsed an expanded role for the CLC and a greater involvement of the labour movement in economic policy deliberations. Some progress toward involving the labour movement, together with business and the government, in discussions that would lead to the establishment of consultative bodies was made last year.

Unfortunately, from my point of view, these talks were suspended last August following our failure to reach agreement on a formula for ending the controls by October.

These talks have now started again. Joe Morris and some senior officers of the CLC and its affiliates met in Ottawa last Wednesday with the Prime Minister and Ministers. I am not in a position to disclose details of our discussion, but there is a willingness, and a determination, on the part of the labour movement to participate in new structures for consultation and to participate on a continuing basis. There may be some nit-pickers who might criticize the judgment of labour leaders over any decision to consult with the government while controls are in force, but those who take such a position are merely burying their heads in the sand while important events, here and abroad, continue to pass them by. I am thinking in particular of the important multilateral trade talks which are proceeding in Geneva, and which will undoubtedly bring about fundamental changes in Canadian industry, employment and economic conditions generally in the 1980's. These talks are going ahead regardless of timetables for other domestic economic policies, and it is essential from my point of view that the labour movement be given the opportunity of express its position to government.

It should be remembered that the Canadian Tariff and Trade Committee, which is co-ordinating our community efforts with respect to the tariff negotiations, had received more than 200 briefs from Canadian organizations to the end of last year, but not one from a national trade union centre.

Finally, I would like to review some changes to the Canada Labour Code which are intended to bring a greater measure of justice, safety and protection to organized and unorganized workers in the federal jurisdiction. I will mention these changes in the order they appear in the bill, Bill C-8, which has passed second reading in the House of Commons and will be going to the Committee on Labour and Manpower in a few days.

(1) General Holidays. We are adding Boxing Day to the present list of eight general holidays. The others are New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day, Remebrance Day and Christmas Day.

(2) Hours of Work. We are standing squarely behind the eight-hour day and the forty-hour week as the basic

standards for all workers in federal jurisdiction. As is the case now, longer hours may be worked in a day or in a week under an averaging formula, but due to some abuses in the use of averaging it will be necessary to apply for, and receive, permission from the Minister of Labour before longer hours can be scheduled. Where there is a collective agreement, both the employer and the trade union will have to make a joint application for the ministerial permit.

(3) Vacation and vacation pay. The bill adds to the present vacation entitlement of two weeks a year. After six consecutive years of employment by one employer, the employee will get at least three weeks with vacation pay each year.

(4) Protection of pregnant employees. An amendment in the bill extends the protection of pregnant employees against dismissal to cover all employees, not only those who have completed 12 months of employment.

(5) Bereavement leave. An amendment provides for a maximum of three days bereavement leave where a member of an employee's family has died. If the employee

has worked for three months with the employer, the bereavement leave would be with pay.

(6) Sick leave. The bill provides that a employee may not be fired or laid off because of illness or injury, provided the employee has completed three months continuous employment before the absence, provided the absence does not exceed 12 weeks, and provided also the employee can produce a medical certificate on return to work. Employees who are absent under these conditions would also be given protection for pension and other benefits without interruption.

(7) Unjust dismissal. A new provision would give unorganized workers protection from unjust dismissal. Employees who feel they have been dismissed unjustly could complain to an officer designated by the Minister of Labour. If the officer cannot settle a complaint, the employee could ask the complaint to be referred to an adjudicator appointed by the Minister. The adjudicator would have the power to order reinstatement or compensation if he finds the employee was unjustly dismissed.

(8) Payment of wages. There is a new provision to cover regular and prompt payment of wages including bereavement pay, termination pay, severance pay and equal wages to which the employee is entitled. These provisions are in addition to the present coverage for payment of the minimum wage, overtime pay and vacation pay or holiday pay.

(9) Right to refuse "unsafe" work. A new provision gives an employee the right to refuse work if he or she perceives a condition at the place of work constitutes an imminent danger to safety or health. In exercising this right, the worker would first report the condition to the employer. The employer must investigate the complaint immediately and in the presence of the employee, a member of the safety committee, and a person authorized by the trade union. If the matter is not settled or corrected, it could be referred to a safety officer. If the safety officer decided that a condition of imminent danger did not exist, the employee would be entitled to appeal to the Canada Labour Relations Board. The Board would either confirm the decision of the safety officer or make an order affecting the operation of a machine or a work process.

(10) Safety and Health Committees. A new provision would authorize the Minister of Labour to require the establishment of safety and health committees, with equal representation of management and labour. The committee would have the power to participate with the employer in identifying conditions and situations that may be sources of danger or hazard to employees, to develop programs and procedures for the protection of employees from danger and hazards, to monitor procedures, and to keep records, demand information and be present at investigations.

While health and safety committees could be established by order, I would hope that employers and employees will establish committees on a voluntary basis. Where there is a will, there is a much better chance for success. In fact, the bill authorizes the Minister to undertake programs to encourage the establishment of voluntary safety and health committees, and to provide advisory services to any safety and health committees.

In addition to setting up committees, we will give workers protection when they refuse work on safety considerations. The Code will make it an offence for

an employer to take disciplinary action against an employee who refuses to work in "unsafe" conditions, and an offence to fail to supply information requested by a safety and health committee.

There are some other important amendments in the bill, but I will not go into them in any detail today. Some of them are intended to improve the effectiveness of the collective bargaining system, and to ensure that trade unions give fair representation to their members.

Once again, I am glad of this opportunity for meeting with the Fishermen's union. I know that you have a number of questions you want to raise and I will do my best to answer them.

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INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.,

MINISTER OF LABOUR

TO THE

INDUSTRIAL SECTION MEETING

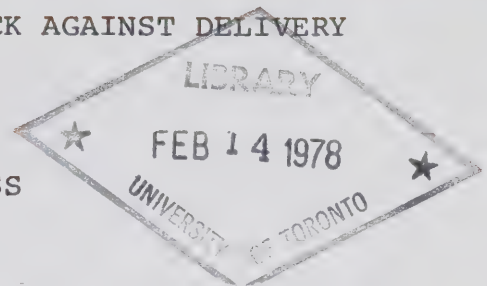
OF THE

BRITISH COLUMBIA SAFETY COUNCIL

VANCOUVER, B.C.

WEDNESDAY, FEBRUARY 8, 1978

11:45 A.M. PST



I was more than usually pleased to accept the invitation of the British Columbia Safety Council to address not only its members but representatives of the Council of Forest Industries, the Employers Council of British Columbia, the Worker's Compensation Board as well as some medical research personnel at this Industrial Section meeting.

I was pleased because I am well aware that such an audience has a direct concern with matters of vital importance to the future well-being of our country.

Nowadays all Canadians share a number of concerns. We are concerned with the economy...with unemployment...with the national unity question...with energy supplies...with our future, in the broadest terms.

We are concerned that the Canada of tomorrow just may not be the way we would like it to be, that the place in the sun we have earned and enjoyed over the years may be a lot cooler in the future.

Individuals, corporations, trade unions, governments, associations such as your own, all of us share a desire, and a responsibility, to help bring about a Canada that meets realistic expectations. Truly, I am confident that we can meet our goals. With the right mix of cooperation...of policies and programs that suit the situation...of the will to get things together, and moving in the right direction.

Of our eventual success, I do not have much doubt. But in the short term, we can single out a number of possible stumbling-blocks. Today, I would like to talk about two of these. They are industrial relations; and the question of a safe working environment. Two subject areas that have a vital role in determining the quality, the productiveness, the competitiveness of the workplace and, to a large extent, our standard of living and well-being as individuals. The development of the Canadian economy is, as I have mentioned, a subject of concern for us all.

Recently, the Prime Minister proposed that the immediate requirement is to develop a medium-term strategy, with the fullest participation of all sectors. The federal-provincial meetings that are currently being held, I am convinced, are a vital means in helping to resolve our difficulties.

These sectoral meetings are covering practically all areas that have a bearing on the economy and its performance: agriculture, fisheries, food, minerals, industry, tourism, housing and industrial relations to mention some of them.

These meetings represent a concerted attempt to redesign our economy in order to make it more effective and productive. I am not so naive as to believe that these initial meetings will produce recommendations that will transform our economy overnight but they do represent an important and necessary step on the road to much-needed changes and improvements which will benefit us all in the long run.

Improvements in our industrial relations system must be rooted in changes of attitude, coupled with a "total environmental" approach.

We have to learn to "actively" listen to what the other side is saying; to be open to change, to be ready to experiment. To understand that basically management and unions are interdependent and that neither side can go it alone. To open the channels of communication and consultation is, in my opinion, an essential first step.

Labour Canada's 14-point program is geared to facilitate this process of communication and consultation. One of the initiatives of the program proposed that a national forum be set up to which all major partners in the economy be invited. Such a multi-party body could not only become acquainted with the concerns of others, but also recommend solutions to improve the climate of the workplace in Canada.

The process of communicating and consulting is an essential element in this evolution to a new era in the work environment. It's also essential to a new era in federal-provincial co-operation, indeed to a closer harmony between all sectors and strata of Canadian society.

An important aspect of this evolution of our industrial relations system is improving the conditions of the workplace, especially in the area of occupational health and safety.

Canada is, unfortunately, lagging behind in several areas of occupational health and safety, and particularly in the research and development of remedial measures.

As you are aware, responsibility for occupational health and safety legislation in Canada is shared by a large number of agencies. For example, in the federal government, there are nine departments and agencies administering a total of 16 separate acts concerned in some degree with occupational health and safety.

In the provinces and territories, there are some 45 departments and agencies administering some 221 acts in this area and, further, more than 400 sets of regulations have been issued under these acts for the setting of standards and performance criteria.

Obviously, we are not short of regulatory bodies, yet not nearly enough has been achieved. Regulation alone is not the solution. One has only to consider the annual toll of workers suffering injuries and impairment to health as a result of workplace conditions. According to statistics on fatalities in Canadian industry produced annually by the Occupational Health and Safety Branch of Labour Canada, it is interesting to note that over one half of the deaths from occupational illnesses in 1975 and 1976 were in the mining industry and almost one third of them were in manufacturing. Mining, forestry and fishing continue to be the most hazardous industries.

Such statistics are, indeed, sobering yet may very well represent just the tip of the iceberg and workers and the public are now questioning why such conditions

should be allowed to continue.

It is interesting to note that some European countries have been successfully operating such centres for many years and have enormous influence on the maintenance of high standards of occupational health and safety.

No one can argue the fact that all Canadians have a basic right to work in an environment that neither damages their health nor threatens their safety.

It was in the light of this fundamental principle that the Canadian Centre for Occupational Health and Safety was proposed. Legislation enabling the establishment of such a centre is now in its final stages of preparation and will be introduced in the House of Commons quite soon.

One point I want to stress is that the Centre will be an autonomous body...self-governing...reporting to Parliament through a designated Minister, but otherwise free from external controls at any level. It will not be part of any federal or provincial department.

It should be emphasized that the Centre will not have any legislative or regulatory powers and will certainly not intrude upon anyone else's jurisdiction.

Briefly, the aims and objectives of the Canadian Centre for Health and Safety are to promote the concept of a safe working environment and the enhancement of the physical and mental health of working people throughout the country.

It is proposed that the Centre will be governed by a Council which will comprise approximately 35-40 members. Ten of these will be nominated by the provinces and two by the commissioner of each of the Northwest and Yukon Territories. Four members will be drawn from the federal public service. Another twenty some members of the Council will be appointed in direct consultation with, and to represent the interests of, workers and trade unions, management, professional and scientific groups, the academic community and the public.

A chief executive officer will be appointed for a term not exceeding five years and Governors i.e. members of the Council, will sit for a period not exceeding four years; all members may be reappointed for a second term. The Council will meet at least three times a year.

The operations of the Centre will be guided by a six-member Executive Board elected from the Council. This Board will meet at least six times a year and its members will, as far as possible, be generally representative of the membership of the Council.

At the outset, the Centre will be financed by the federal government. However, it is envisaged that eventually both public and private support will be forthcoming and will enable the Centre's work to be broadened and enhanced and, at the same time, strengthen its independent nature.

While its role will evolve under its own authority, I think I am safe in saying that one of its

first tasks will be to develop a national technical and scientific information system to inform and advise on occupational health and safety matters generally. This amassing of information will enable the Centre to pinpoint problem areas and to provide advice, information and service relating to existing or anticipated occupational health and safety problems to workers. The advice will also be provided to trade unions, management, government, and national, provincial and international organizations, as well as to the general public.

In this way, the Centre will stimulate research and may, in certain cases, underwrite or assist through grants studies to furnish reliable information not readily obtainable elsewhere.

Further down the line, it is envisaged that the Centre will be in a position to anticipate the nature and probable effects of hazardous substances, as well as provide technical advisory services on request and seek solutions to key problems.

Another important aspect of the Centre's work may be the hearing of briefs, and the holding of public forums which will acquaint Canadians with areas of concern in the health and safety field and bring about a better general understanding of the work of the Centre.

It is also hoped that the Centre will be instrumental in developing a standard method of reporting industrial health and safety activities, thereby eliminating confusion and misunderstanding in the exchange of information and scientific data.

When the Centre was first proposed the idea encountered some opposition. Mainly, I believe, because the role and activities of the Centre were not fully decided and understood.

In fact, the British Columbia Employers Council was opposed initially to the establishment of the Centre and wrote to me about their concerns. Upon clarification of the aims and objectives of the Centre, I understand the

Council now generally supports its proposed operations.

The task of setting up the Centre is being handled by a planning secretariat under the auspices of my Department, in collaboration with the Department of Health and Welfare. Mr. Howard Currie, who is in charge of its operations has been conducting numerous meetings in the past several months with representatives of provincial and territorial departments and agencies, associations of employers, trade unions, technical and scientific societies, the academic community and other diverse interests. It has been encouraging to note that the proposal for a Centre has been positively received.

Indeed, the ideas and suggestions emanating from these sessions have proved to be invaluable in the formulation of the final blue-print for the Centre. With continuing cooperation I expect to see the Centre operational later this year.

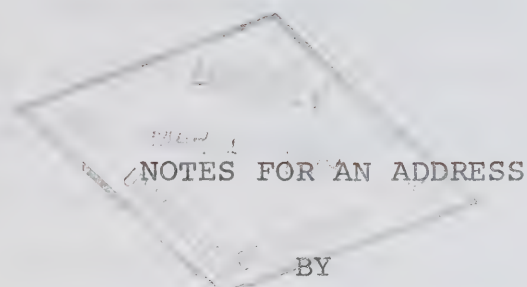
In conclusion, I wish to say that the success of the Centre and, indeed of the other initiatives in Labour Canada's 14-point program to improve our industrial relations system, depends to a great extent on the goodwill and cooperation of all parties involved. If we open the channels of communication and consultation, we must use them intelligently and then we will be closer to our desired objective of a better, healthier, safer future for all Canadians.

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THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO

THE LABOUR RELATIONS SEMINAR

SPONSORED JOINTLY BY

SASKATOON BOARD OF TRADE AND THE

SASKATOON PERSONNEL ASSOCIATION

SASKATOON, SASKATCHEWAN

THURSDAY, FEBRUARY 23, 1978

10:00 A.M. CST



I was very pleased to accept your invitation to participate in this labour relations seminar, jointly sponsored by the Saskatoon Board of Trade and the Saskatoon Personnel Association.

I was pleased because labour relations is a top priority topic for us all. No one in Canada is unaffected by the performance of our industrial relations system. And, I believe, we all unanimously agree that we want our system to be productive, equitable and profitable ... we want our system to be one that enables management and unions to work together in a climate of comparative harmony ... and, at the same time, we want to improve the quality of working life in a fair and just manner.

Yet we are all aware that during recent years the Canadian industrial relations system has not been performing well ... we have experienced a series of strikes and lockouts ... seen both sides of the bargaining table cling to adversarial postures that have not only been injurious to the parties directly involved but to Canadian society as a whole.

We are quickly coming to the conclusion that we have to concentrate our efforts on improving the system ... to making it work well ... if Canadians are to maintain their present way of life and if Canada is to improve its position on the world market.

In light of these realities, it has become increasingly apparent that new economic policies are needed and, further, that new federal-provincial strategies and agreements are required to develop and coordinate these policies.

As you are aware, the First Ministers Conference recently held at Ottawa was an outcome of these concerns, and it arrived at far-reaching agreement in a large number of economic matters, as well as a list of major projects in energy, automobiles, transport, agriculture and fisheries that can be initiated to stimulate economic growth.

The First Ministers Conference was preceded by a number of federal-provincial sectoral meetings which covered all subject areas that have a bearing on the economy and its performance.

One thing these meetings have underscored is the fact that effective federal-provincial consultation and cooperation are absolutely mandatory if we are to arrive at sound and workable economic policies beneficial to all Canadians.

This process of consultation and cooperation is not only essential on the federal-provincial level, it is also essential if we are to enter into a new era of industrial relations harmony. No longer can institutions, or companies, or individuals act in isolation and in disregard of the effects of their actions on others. Unless all parties to the world of work are involved in the communication and consultation process any change in our system may well be minimal and superficial.

I am well aware that what I am advocating will not effect an overnight cure to the problems we are experiencing in the labour-management field. Years of bitter antagonisms, entrenched positions and, indeed, almost outright warfare at the bargaining table are not going to be immediately replaced by hail-fellow-well-met attitudes.

What we should be trying to build through the consultative process is an awareness and appreciation of the other's point of view. To understand that both management and labour are, in the final analysis, interdependent and that neither of them can go very far alone.

An important aspect in the ~~bettement~~ of our industrial relations system is the need to improve workplace conditions. I would like to review some proposed changes to the Canada Labour Code which are intended to bring a greater measure of justice, safety and protection to organized workers in the federal jurisdiction. The changes appear in Bill C-8 which has passed second reading in the House of Commons and went before the Committee on Labour and Manpower a few days ago. I will not review all of the changes, at this time, but deal with those which I believe are of uppermost interest and concern to this seminar.

First of all, we are making some amendments to the provision on the Hours of Work. We are standing squarely behind the eight-hour day and the forty-hour week as the basic standards for all workers in federal jurisdiction. As is the case now, longer hours may be worked in a day or in a week under an averaging formula, but due to some abuses in

the use of averaging it will be necessary to apply for, and receive, permission from the Minister of Labour before longer hours can be scheduled. Where there is a collective agreement, both the employer and the trade union will have to make a joint application for the ministerial permit.

True, under the existing act it is possible to average hours and then simply report afterwards that this has taken place. However, in a few situations where complaints from individuals have come to our attention it would appear that some employers have used this as a device to get around having to pay premium wages for overtime and we have concluded that this is a situation which requires a degree of control.

In recent years the hours of work of country grain elevator managers has been the subject of much scrutiny and debate in the Prairies.

The fact of the matter is that these workers are under federal jurisdiction and have always been covered by the 40-hour week/8-hour day provision.

Representations were made to us a couple of years ago that these regulations were unworkable and unenforceable and that every year in the fall there is a great deal of

urgency on the part of the farmer to get his grain delivered to the elevator. If elevator operators were to work an eight-hour day during these high-activity periods, it is maintained that the delivery of grain would be rendered extremely difficult.

I should point out that it is possible to change by regulation the application of the 40 and 8-hour maximums, but only after an Inquiry has been held.

As Minister I accepted the representations made in connection with country grain elevator managers and appointed an Inquiry Commission under the Act to investigate the situation and make recommendations.

Mr. Stewart Gunn was appointed Commissioner and he heard many conflicting arguments. One argument that was made to him, however, by both employer and employee representatives, was that they should bargain an answer to the problem, that they should be given the opportunity to work out the solution between themselves.

Consequently, following recommendations contained in Mr. Gunn's report the regulation governing the 40 and 8 is suspended until August 1, 1978.

In the meantime, the parties have been busy tussling with the problem. Obviously the problem has to be resolved and it has to be resolved before August 1.

The government's position is clear. We prefer the parties involved to determine their own appropriate hours of work with as little official interference as possible.

In this province, for example, the majority of the country agents are covered by collective agreements and are bargaining with the Saskatchewan Wheat Pool. It is understandable that they want to have a chance to express views about what their hours of work regime should be and this opportunity is being provided.*

We hope that employers and unions involved will bargain a regime which makes sense and which is not going to hinder farmers' operations.

Another amendment contained in Bill C-8 concerns safety and health committees, a scheme which I understand was pioneered in this country by Saskatchewan.

The new provision would authorize the Minister of Labour to require the establishment of safety and health committees, with equal representation of management and labour. These committees would have the power of participating with the employer in identifying conditions and situations that may be sources of danger or hazard to employees; to develop programs and procedures for the protection of employees from danger and hazards; to monitor procedures, and to keep records, demand information and be present at investigations.

While health and safety committees could be established by order, I would hope that employers and employees will establish committees on a voluntary basis. Where there is a will, there is a much better chance for success. In fact, the bill authorizes the Minister to undertake programs to encourage the establishment of voluntary safety and health committees, and to provide them with a range of advisory services.

In addition to setting up committees, we will give workers protection when they refuse to work because of safety considerations. The Code will make it an offence for an employer to take disciplinary action against an employee who refuses to work in "unsafe" conditions, and an offence to fail to supply information requested by a safety and health committee.

Such committees will enable employees to have a voice in determining their own work environment.

Safety and health on the job are among the prime concerns of the Canadian worker. Specific occupational safety and health requirements designed to protect employees in federal works, undertakings and businesses come under Part IV of the Canada Labour Code.

Various grain handling companies come within the scope of this legislation. These companies employ some 16,000 workers, including 4,500 office staff working in approximately 3,964 country grain elevators, 28 terminal elevators, 26 transfer elevators and 31 process elevators. There are some additional 15,000 persons employed in feed, seed and flour mills. Of these workers, a large percentage are exposed to grain dust.

The effect of grain dust on the respiratory system is the main occupational health concern of this group of workers. The nature of grain dust can vary depending on several factors such as type and condition of the grain, type of soil, and the mix of other dusts such as weed dusts and residual chemicals. The subject of "grain dust" and its effect on health is a complicated one to which definitive answers are still being sought.

Labour Canada, as the primary regulatory agency for occupational health in grainhandling industry, has immediate and ongoing requirements for designating the safe level of grain dust, based on authoritative medical opinion. At the present time Labour Canada has adopted a provisional Threshold Limit Value of 10 milligrams per cubic metre and in accordance with understandings reached at a meeting of grain industry representatives held in Toronto last January, directives are being now sent to companies concerned in all regions across Canada.

These directives call upon companies operating grain elevators to ensure that the concentration of grain dust carried by the air in all places where employees are required to work does not exceed the prescribed level of 10 milligrams per cubic metre, averaged over an eight hour day and a forty-hour week.

The directives also call upon companies to ensure

that the atmosphere of an area where an employee is working that is contaminated with grain dust is sampled and tested by an acceptable method and to ensure that such atmosphere does not exceed the prescribed limit.

Among other things, companies are called upon to provide and maintain respiratory protective equipment approved by Labour Canada; that premises and equipment are, to the extent that is reasonably practicable, designed, constructed and maintained in a manner that will prevent dust from accumulating in dangerous quantities and facilitate the removal of such dust.

The directives also require the medical examination of all employees who will be or have been exposed to grain dust during specific time limits.

The companies have been directed either to comply with these directives by September 1, 1978 or to submit to me by that time a written program plan for the implementation of the directive. Such a program plan will be reviewed and approved, or revised as appropriate, by October 1, 1978.

Implementation of the program will be completed over a three-year period. The Occupational Safety and Health Branch of Labour Canada has recently published a booklet, "Guidelines for an Environmental and Medical Surveillance Program in the Grain Industry," which spells out details of the program and the protective measures which must be attained. These guidelines, which have been distributed to all companies concerned will assist them to formulate their own implementation plans for Labour Canada's approval.

Another aspect of grainhandling which has been subject to scrutiny followed the tragic fire and explosions at the Burrard Terminal Elevator in North Vancouver in October 1975. Dr. William Daniel Finn was appointed Commissioner charged to inquire and report upon matters of health and safety in grain elevators. His report contained certain recommendations regarding the control of fire hazards. These recommendations have been studied and developed into a proposed set of fire standards for the grain industry. The proposals are now in the final draft stage and will soon be discussed with the industry.

This process of consultation and cooperation with parties concerned is an essential element in the process of formulating and implementing meaningful change in the workplace.

For there are no single solutions to problems. We need the contributions, expertise and goodwill of all concerned in order to improve the social and economic conditions in Canada today.

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

WORKING TOGETHER

TO BUILD CONFIDENCE IN CANADA

THE 1978 CONFERENCE

INDUSTRIAL RELATIONS MANAGEMENT ASSOCIATION

OF BRITISH COLUMBIA

HARRISON HOT SPRINGS, B.C.

THURSDAY, FEBRUARY 23, 1978

1:30 P.M. PST



Today I would like to speak to you about the contribution we can all make to our efforts to build confidence in ourselves and in the future of Canada. I congratulate your Association for inviting representatives of government and labour, as well as management, to exchange views on problems of industrial relations and problems of the economy. This willingness to sit around the table together, and not always sit around separate tables, is itself an essential step toward putting Canada back on the right track.

We should approach questions of the future of the economy without excessive optimism or excessive pessimism. We should look at all the economic signals, then weigh the prospects and the options that face us. On balance, and looking as realistically as I can at our situation, I continue to be an optimist about Canada and our ability to work out our problems for the benefit of all Canadians.

One cloud that continues to hang over our immediate future is the uncertain relationship between Quebec and the rest of Canada. At the first ministers' conference in Ottawa, there was a high degree of collaboration on

national economic objectives, and certainly from the point of view of the Prime Minister, an attitude of goodwill toward Quebec as well as all the other provinces. It was only during the final hours of the conference that the atmosphere was soured momentarily. I believe that the circumstances are well understood and that the first ministers' conference on matters of the constitution will resume in September, and again on economic issues in November, with all delegations represented.

While I am confident that the vast majority of Quebecers would vote no to the separation of Quebec from the rest of Canada, the political uncertainty of the separatist movement continues to hinder investment, employment and good community relations. The conference of provincial ministers, which took place in Montreal, this week, gave further recognition to the French fact in Canada. And the steps which my colleague, the Ministry of Industry, Trade and Commerce, has taken to bring down the cost of travel within

Canada will help to increase contact and communication at all levels and in all regions.

Contrary to the gloomy prognostication of the leader of the Opposition that 1978 is the year Canada will grind to a halt, there is increasing, though guarded, confidence that the Canadian economy, as well as the economy of the United States and that of our other major trading partners, are now making a recovery from the slowdown of the last two to three years.

The economic signals give cause for optimism and not pessimism. Japan, for example, has yielded to United States pressure for greater access to Japanese markets. The U.S. economy itself is healthier than it was a year ago. The rate of inflation in the United Kingdom has dropped below 10 per cent for the first time in four to five years. The governor of the Bank of Canada is satisfied that Canada has now made many of the adjustments that will help us compete with the rest of the world. There was agreement among the first ministers last week that governments must show leadership in exercising spending restraint, though the Prime Minister cautioned that the federal government would not pursue a course

which would sacrifice the social welfare structures of our society.

As we move into the new year, we have the real benefit of a more realistic set of expectations on the part of all Canadians, whether they be businessmen, workers, politicians, farmers or consumers. Canadians appreciate, as we always have, that we live in the freest country in the world, and we enjoy, on average, one of the highest standards of living. But we are also aware that it is going to require the best effort on the part of all interests, and all sectors of the economy, to deal in a satisfactory way with our unacceptable levels of unemployment and the industrial world's persistent inflationary pressures.

Inflation continues to be a concern for all Canadians. In less than two months, the phase-out of the Anti-Inflation program will start. There is some degree of concern that the phase-out will ignite a new burst of inflationary wage demands and price increases. I am more optimistic than that. I don't believe that will happen. I agree with Joe Morris, president of the Canadian Labour Congress, that there is no bloody-minded mood in the labour movement. Despite some scattered rhetoric, there is no pent-up

demand which would destroy the progress that has been made in improving real incomes over the past two and a half years. The labour movement is well aware of the need for all industries to protect, and improve, their international competitive position. The same consideration will also restrain any latent inclination to make unwarranted price increases.

Part of our problem is we don't stop and give credit where credit is due. We are quick to criticize, but we don't take the same opportunities to offer praise.

I'd like to pause and give some credit right now. We have made considerable progress in our fight against inflation since the fall of 1975. Part of the credit is due to the Anti-Inflation program, and the support which the vast majority of Canadians have given to the program. I don't think there's any doubt, and the opinion polls indicate most Canadians share this view, that the anti-inflation program helped to bring about a more sober attitude on the part of all Canadians toward the economy and what it can deliver.

But we should also give a lot of the credit to organized labour. Trade union wage demands make an impact

also on the wage levels and the total compensation levels of the rest of the labour force. When organized labour's demands for wage increases were in excess of 14 or 15 per cent in the latter half of 1975, and some demands were considerably in excess of 14 or 15 per cent, there was no shortage of critics who labelled the union leadership as "irresponsible". The trade unions were criticized in this manner even though many of them were coming out of two- and three-year collective agreements and trying to catch up with the double-digit inflation that had overtaken their contracts.

Now, what has happened in the last two and a half years? The level of wage demands has shown a steady downward trend. Before the introduction of controls, settlements were coming in at 14 and 15 per cent. In the first year of the program, wage settlements dropped on average to 10 or 11 per cent. In 1977 the average was about 7 per cent.

For 1978 -- and this is where the labour movement deserves creditable mention -- more and more wage settlements are coming within the guidelines. They are coming in consistently at 6 per cent, or three per cent below the

inflationary rate in January. This clearly demonstrates that the trade unions are willing to show leadership and responsibility in restraining their demands on the economy.

I am satisfied, as well, that the workers of this country are aware that under the anti-inflation program they have not fallen behind in their real wages. In fact, they are, on average, a little ahead of the game. Total compensation gains on average for the two-year period, 1976 and 1977, totalled about 18 per cent. The Consumer Price Index in the same period increased 15.9 per cent. So there was a gain in real income in that period of a little more than 2 per cent.

Let's be fair. Let's give credit where credit is due. The labour movement has not been making exorbitant demands on the economy, and the labour movement is continuing to show restraint at a time when inflation is eroding purchasing power. But remember, too, that as we move into the decontrol period, the anti-inflation program has not been anti-labour. The anti-inflation program has helped to protect real earnings.

While wage settlements have shown a moderating trend, so have price increases. Price increases by companies required to pre-notify the Anti-Inflation Board dropped from $7\frac{1}{2}$ per cent in 1976 to between 4 and $4\frac{1}{2}$ per cent at the end of 1977. Costs are now rising more slowly in Canada than in the United States.

The most difficult aspect of the price index continues to be the food component. In the early months of the controls program, our good experience with food prices, particularly the prices of imported foods, probably gave the impression the program was more effective than it really was. In the reverse way, recent increases in imported foods because of the devaluated Canadian dollar, winter conditions in the south, and international price setting for coffee, overshadowed our progress in other components of the price index between 1976 and 1977. Despite sharp food price increases this winter, we are still looking forward to a downward trend in the CPI through 1978.

Unemployment is high, too high by far in Canada. Over the last 10 years, Canada has created some 2,300,000 new jobs. We have created more permanent jobs than any of our major trading partners. Last year 290,000 new jobs were created in Canada. But this rate

of growth is not enough. We need to increase the pace of job creation in order to put those who have been laid off back to work, and to provide jobs for the tens of thousands of Canadians coming into the labour force each year. The federal government, the provincial governments and the private sector, working together, must continue to move toward this goal.

The federal government has undertaken a vigorous attack on unemployment. In the two-year period ending March 1979 the government will spend more than \$1 billion for direct job creation. We are doing this at a time of severe spending restraint. This spending is being concentrated in high unemployment areas. We are also stimulating the economy through consumer spending. In fiscal year 1977-78, the government has introduced incentives of \$2½ billion to \$3 billion, with about \$2 billion going to individuals through tax cuts and indexation, and about \$700 million going to corporations as investment credits. My colleague, the Minister of Finance, has introduced a program of employment credits. It provides for a wage subsidy for jobs which would

not otherwise have been created. It's new in Canada. It's worth a trial. In addition, the investment tax credit of previous budgets has been extended and increased. This program can help industries improve their plant and equipment in preparation for expanding markets. But our continuing fight against inflation, and our continuing efforts to create new jobs will not solve other basic problems of the economy. These are the problems which the economists are calling "structural" problems. Structural problems exist in manufacturing, in agriculture, in forestry, in fishing, in just about every sector of the economy. They exist in every industry which has failed to reinvest and keep competitive with industry in other countries, particularly in the United States.

The structural problems will not be solved quickly or easily. Contrary to the position which has been taken by some of our political opponents, there is no quick solution. We are not offering miracles. Instead we have been examining the potential for Canada over a three to four-year period. The provincial premiers who examined the economic forecast with us reached the consensus that while

we do have serious economic problems, things are not all that bad. There was general support for the views expressed by Premier Regan and Premier Moores that Canadians have more opportunities for economic development than possibly any other nation. If Canadians can't work out their economic recovery, there's not much hope for less fortunate countries.

Another encouraging result of the meeting last week was the agreement to meet again in the fall. This no doubt was a disappointment to the cynics who had branded the conference as nothing more than a "media event" and "a pre-election extravaganza". Premier Bennett called for the establishment of a first ministers' council. He observed that the federal and provincial governments had come together to examine our economic problems and prospects in a "sense of partnership". He said this was a good beginning. The first ministers should meet on a regular basis. The Prime Minister picked up this theme. He challenged all of the provinces to take the decision to continue in a partnership with the federal government for working out our economic strategy.

Governments are laying out the framework for our economic recovery. Governments are creating the climate and the conditions for restoring confidence. But the main responsibility for establishing new jobs, for improving our competitive position, and for improving our balance of payments lies with business and labour. I believe that, and because I believe it I want business and labour to become part of the economic partnership.

How can business and labour do this? They can do it if they will agree to set aside some of their traditional suspicions of one another and spend more time working together.

I have proposed some ways business and labour can work together, for their self interest and for the benefit of all Canadians, in my 14-point program.

This is not the time to list them all, but let me say this much. Business and labour working together could improve the work environment, and at the same time create a better atmosphere for productivity, by supporting the establishment of the Canadian Occupational Health and Safety Centre and jointly sponsoring quality of working life experiments on the job; by examining their pension schemes so

that workers may prepare for retirement in an orderly and responsible way; and by examining opportunities for continuing worker education in a context which employers and workers can afford.

Business and labour, working together, could improve the collective bargaining system, and help reduce the number of disputes, by supporting our efforts which are aimed at broader-based bargaining; by supporting the amendments we are now advancing under Bill C-8 for the Canada Labour Code; and by supporting the proposal to establish a collective bargaining information centre.

Finally, a key element of the 14-points is the proposal for a national consultative forum in which business and labour, and possibly other economic interests, would consult on a regular basis with government on our major economic objectives.

There is support for this approach among some of the provincial governments. Premier Davis called for the establishment of a national industrial council involving business and labour on an equal footing with government. Premier Hatfield also wanted more involvement of business and labour in national consultations.

I urge you to support this approach to labour-management co-operation, and this approach to consultation between government and labour and industry. I believe we are all ready to embark on the establishment of new consultative mechanisms which will enable us to solve current problems and create longer-term strategies. This voluntary and co-operative process is not only possible, it's also absolutely essential to our economic recovery.

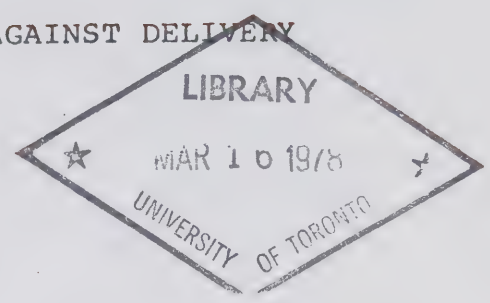
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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.,

MINISTER OF LABOUR

TO THE

NATIONAL CONVENTION

OF THE

CANADIAN MERCHANT SERVICE GUILD

VANCOUVER, B.C.

WEDNESDAY, MARCH 8, 1978

6:00 P.M.



I would like to be able to give this convention a positive response to the proposal which the Guild has made on a number of occasions for a Canadian merchant fleet. While the establishment of a merchant marine is not a matter of government priority at this time, I can tell you that other groups besides the Canadian Merchant Service Guild are helping to keep the idea alive and well across the country. At the policy conference of the Liberal Party of Canada in Ottawa ten days ago, the delegates gave unanimous approval for government action on the establishment of a Canadian merchant marine.

The Liberal policy conference, if you will permit me a second reference, also gave solid support to the implementation of the recommendations of the report by Howard Darling with respect to the coasting trade.

The prospects for a Canadian merchant fleet, at least one which is deep-sea, are not immediate but developments favouring new hirings and developments favouring job security for the merchant fleet in Canadian waters are more optimistic.

I think that many of you are aware of the serious recession in world shipping. Deep-sea vessels are being tied up for months at a time all over the world. Charter rates for deep-sea vessels are at bargain prices. Shipbuilding orders have dropped from 135 million tons in 1974 to 35 million this year. In other words, the world shipbuilding industry has dropped from an order book which is four years ahead to one which is only one year ahead. Obviously, it's not the best of times to be investing in a merchant fleet.

What we are trying to do now is to do everything possible to ensure that Canadian orders for ships will be built in Canada. We are continuing the 20 per cent shipbuilding subsidy which was started in March 1977 to the end of October this year. This subsidy, together with the depreciated Canadian dollar, will help keep jobs in Canadian shipyards.

The extension of the Canadian fishing limit to 200 miles is a factor in favour of more Canadian ships and Canadian jobs, but realizing the benefit will be two or three years down the road. My colleague, the Minister of Fisheries, is advising against investment in additional

Canadian shipping until the fishing grounds have had time to replenish themselves.

Some of our best prospects for new shipping investment are in Arctic exploration and resource development. The Port Weller Shipyard is now constructing a cargo ship which could become a prototype for the Arctic trade. Dome Petroleum is expected to place an order for an Arctic ice-breaker this spring. Such a ship could cost \$150 million, and once it has completed its trials in Arctic waters, it would probably be followed by an order for at least two more of the same type.

The prospects for the construction of LNG's in Canadian shipyards are not nearly as good. There are 14 shipyards around the world building LNG's, and it would take upwards of \$100 million in capital investment just to get started. However, there is a good chance for trade-offs. Canada could negotiate some offsets in the form of ships which we build and build well, in exchange for the LNG's which other countries are better-equipped to build. Such an exchange program would assist our shipyards at Halifax, Saint John, St. Mary's, Lauzon, Port Weller, Collingwood and Vancouver.

In the operating end, where the Guild is particularly concerned, I can see three trends. First, there is the trend to more ships in Canadian waters. I am optimistic this trend will continue. Second, there is the trend to a smaller number of crew members per ship. The positive aspect of this trend is the demand for trained, career-oriented employees. And third, there is the trend to hiring double crews, with one crew on, one crew off. On balance, I believe that we can anticipate moderate improvements in new hirings and job security, in both the shipbuilding and the ship operating sections of the marine industries.

If I am reasonably correct in assessing the prospects for the marine industries over the next few years, how can we relate the jobs which you are doing, as well as your demands for job security, to the aspirations of other Canadians? I would like to hear your answer to that question, but first let me take a few minutes to give a few highlights of government policies which are responding to the general question, what kind of country do Canadians want to live in and pass to their children?

The policy paper, The Way Ahead, which we started to distribute for purposes of public discussion in October 1976, suggested five priorities.

First, we suggested that Canadians want a more just, a more tolerant society.

Second, we want to achieve a greater balance in the distribution of people and in the creation of wealth between and within the regions of Canada.

Third, we should make more rational use of our resources and be sensitive to the natural and human environment.

Fourth, we should accept our international responsibilities, particularly with regard to assisting developing countries.

And fifth, we should work out new constitutional arrangements which will reinforce our ability to operate effectively at the national level and at other levels of government.

I won't have time tonight to speak to you about all five themes, but I will say a word about the first two and conclude with some of the programs which I am introducing to help improve conditions of work in Canada.

A more just, a more tolerant Canadian society - this isn't a platitude for a politician to toss off in an after-dinner speech and be forgotten. This surely is the heart and soul of everything which we do in government, just as it is the heart and soul of everything you do in the trade union movement.

Achieving a more just, a more tolerant society is the responsibility of all Canadians, but we don't have to look far to find examples of injustices that need to be corrected. Let me take just one.

All of us should accept our responsibility in helping to correct the misunderstandings which exist between the English-speaking and the French-speaking communities of Canada. This is essential for a united Canada. But some Canadians have copped out. Some of us have expressed irritation over the introduction of the French text on a box of cornflakes when it's just as easy to learn a few words of French while eating breakfast. Some of us have complained bitterly about the introduction of a Radio

Canada channel on the television dial when Canadians have a greater choice of programs than any other television viewers in the world.

Many Canadians like to write off the two-language policy as "the Quebec problem". They would abandon the whole question as something for the Prime Minister and the Premier of Quebec to fight over and eventually resolve if they can. By writing it off as a "Quebec problem", however, they neglect the tens of thousands of Francophones in other regions of Canada who also want to preserve their language and culture. They turn their backs on a problem that won't go away. They play directly into the hands of separatists who would have us believe that only the government of Quebec can represent the interests of French-speaking Quebecers.

Just the other day a member of the Ontario government, who I hope was not expressing the position of his government, referred disparagingly to the federal government's "very heavy-handed and authoritarian bilingual program," " program," he said, "which has fostered misunderstanding, mistrust and division across the nation" It's easy to criticize the federal

government's language policy. It's easy to say the government tried to do too much, too soon. It's easy to find public servants who held senior jobs and therefore were required to communicate in both of the official languages - - but perhaps they lacked the aptitude to learn a second language, or they were not motivated to learn. It's easy to criticize and say we should have started the program with children in the grade schools and the problem would have solved itself over 25 years. If you were a French-speaking Canadian and you were told you would have to wait 25 years before you could apply in French for a job in a manpower office and speak in French to the income tax office you might want to become a separatist, too. If we were "heavy-handed" in our efforts to make up for lost time, I make no apology.

It is not the two-language policy which has fostered misunderstanding or mistrust or division. It is the critics who have refused to accept the purpose and urgency of the program, and who have refused to exercise the fundamental decency of showing tolerance toward their fellow Canadians who speak the other official language.

Even five or six years after the introduction of a two-language policy at the federal level, there are still too many Canadians who are misinformed about its single most important objective.

The objective is not to ram French down any Canadian throat. The objective is not to make Canadians bilingual. The objective is to make it possible for Canadians who speak English and Canadians who speak French to communicate with their federal government and its departments and agencies in their own language. This was the objective when the two-language policy was introduced. It is still the objective. In a country where fully one-third of the population speaks French and two-thirds speak English, it is the only language policy which has any hope of keeping us together. It is the only language policy for a just and tolerant society.

The second of the five themes of The Way Ahead was the need to establish a better balance in the distribution of people and in the creation and distribution of wealth between and within the regions of Canada. The same theme was picked up in the agenda

of the First Ministers Conference in Ottawa last month.

The First Ministers agreed that governments should continue to be a major force in the economy, but governments should limit, and even cut back on, their demands on the gross national product. There should instead be a greater reliance on the private sector to invest in Canada and create new jobs. At the same time, the Prime Minister assured Canadians the federal government is determined to maintain our commitment to social justice and our commitment to programs which will continue to redistribute the wealth of this country in an equitable way. And the federal government is continuing with its multi-billion dollar programs for direct job creation and for restoring confidence.

Our ability to reach our economic and social goals depends, in large measure, on how successful we are in bringing down the rate of inflation and how successful we are in creating new jobs.

The fight against inflation goes into a new phase five weeks from now. Collective agreements concluded between now and April 14 will be subject to the guidelines, and the price increases of corporations

will still be subject to the profit guidelines. When the controls are phased out starting April 14, we will have to exercise the self-restraint which both labour and management have been telling government they would demonstrate once the controls were lifted. I personally do not anticipate any sudden bubble of high wage demands and unwarranted price increases.

For one thing, Canadians are more aware than we were 2½ years ago of the impact which wage levels and price levels can have on our competitive position. There's a greater appreciation on the part of both labour and management that jobs and profits can be lost if our wages and our prices get out of line with those of our competitors. We are also more aware of the importance of economies of scale, entrepreneurial skills and access to markets as factors in our competitive situation.

And for a second reason, I believe that most Canadians feel the wage and price control program - - despite its rough justice - - was about as fair as any such program could be. Workers, for example, are aware that while the guidelines may have restrained their wage

demands, they also restrained prices. On balance, workers came out a little ahead of the game, and that's better than you could say for our inflation experience in the two years before the controls program.

The statistics support these calculations: over the two-year period 1976-1977, wage increases under collective agreements monitored by the Anti-Inflation Board increased by roughly 18 per cent, while the Consumer Price Index increased by 15.9 per cent. That represents, on average, a gain in real wages of better than 2 per cent over the two years.

Another measure of the same wage/price relationship is our experience with shares of gross national product. The share of GNP going to wages increased from 51.8 per cent in 1961 to 56.6 per cent in 1976 - - an increase of 5.1 per centage points. The wage share continued to rise to 57.2 per cent, in 1977.

It's wrong, therefore, to maintain as some still do, that the anti-inflation program was anti-labour. It's true that the guidelines placed restrictions around collective bargaining, but price increases have been restrained relatively more. The share of national income going to corporate profits has been fairly constant at roughly 10.7 per cent to 11 per cent over

the last decade, including the period under controls.

As we move out of wage and price controls, there are two concerns which I would like to place on the record.

One is the tendency in some quarters to place the spotlight on public servants and assert that they have been taking more than their share of the national economic pie. The other is the tendency to assert that public servants engage in a disproportionate number of strikes. This is wrong -- on both counts.

I know all about the cliché that figures can lie, and the other cliché that you can always find statistics to prove any case. I'll try to avoid that pitfall by taking the entire period from the start of collective bargaining in the federal public service in 1968 and continuing to the third quarter of 1976. For this period of almost nine years, average annual compound percentage increases in base rates during the life of collective agreements showed the following:

For the private sector, covering bargaining units of 500 or more employees, the accumulated increases over the nine years were 92 per cent.

For the federal public sector, the accumulated increases totalled 86.8 per cent.

For the public sector, including federal, provincial and municipal government employees, the increases totalled 93.7 per cent.

In these figures there's no cause for alarm. The federal public service is trailing marginally behind the major bargaining units of the private sector. The public service, including all levels of government, is only marginally ahead of the major bargaining units of the private sector. Some of the increases in the provincial and municipal wage levels in this period can be accounted for by the fact that public employees obtained bargaining rights relatively recently and were using their bargaining power to catch up to private industry wage levels.

The other misconception surrounding the public service relates to strikes. Certainly there is a misconception with respect to the federal public service. Since collective bargaining rights were established in 1968, there have been only 12 strikes, legal and illegal. Far from being strike-happy, federal public servants have demonstrated a responsible approach to collective bargaining and the use of their right to strike.

Our ability to establish a better balance in the distribution of wealth in this country depends also on our success in creating new jobs and protecting existing jobs.

There is no question that the present level of unemployment in Canada is unacceptable. The federal government and the provincial governments are undertaking a variety of measures to create new jobs, and together we have been successful in creating 2,300,000

jobs over the last 10 years. This is a higher level of job creation than any of the industrial countries. In 1977 alone, Canada created 290,000 new jobs. But even this rate of job creation has not been enough to meet the needs of young people and women who have been coming into the labour force in greater numbers than previously.

The ability of the federal government to manoeuvre in the economy is limited because of large deficits in our accounts, but we are using a number of measures to stimulate the economy and create more jobs. In the first two months of this year, we cut taxes for low- and middle-income taxpayers by \$100. This benefit was shared by 7,500,000 taxpayers and cost the government more than \$700 million. We also increased the indexing factor for personal income tax to 7.2 per cent for 1978. This will increase the basic personal exemption and allow Canadians to pay \$850 million less in taxes this year.

In addition to these tax cuts, we allocated \$450 million to Canada Works and Young Canada works last year, and we will continue this level of direct job creation for 1978-79. We are also providing \$150 million for work projects with a high employment content. These projects are being concentrated in areas of high unemployment. In total, the government is spending more than \$1 billion for direct job creation over the two-year period ending next March. Not included in this total is the \$100 million job credit plan which was inaugurated last month, providing for wage subsidies for workers who would not otherwise have been hired. Another \$700 million will be available to corporations as investment credits.

But these programs will not create all the jobs we need. The rest must come from the private sector and, for the private sector to invest in new plants and equipment and to hire more employees, the

private sector must have confidence in their markets and confidence in Canada. The success of the First Ministers' Conference, the agreement to move ahead in the Gull Island hydro-electric project in Labrador and the heavy oil project in Saskatchewan, the negotiation of the Alaska-Yukon pipeline, and the stimulus these and other major projects will give to the entire economy are building that confidence.

Finally, let me refer briefly to the progress we are making in the federal jurisdiction with respect to programs and legislation for improving the work environment.

First, there are the amendments to the Canada Labour Code which are aimed at increasing the level of justice to both unorganized and organized workers. Bill C-8, which incorporates these amendments, is now before the Standing Committee on Labour, Manpower and Immigration. I expect to have the support of all of the parties in bringing it back to the House of Commons,

possibly with some amendments, before the Easter recess.

The proposals in Bill C-8 include extending to all workers in the federal industries the right to up to three days bereavement leave in the event of a death in the immediate family; protecting workers from dismissal who are absent for a period of up to 12 weeks because of sickness or injury; preventing the dismissal of a pregnant employee for the sole reason of being pregnant; increasing entitlement to vacation pay to three weeks' paid leave after six years of service; the right to refuse work if the employee claims there is imminent danger to life or limb; and the right to appeal against a dismissal which a worker claims was unjust.

Secondly, we are moving forward with a bill which will establish the Canadian Centre for Occupational Health and Safety. The purpose of the bill is to promote the fundamental right of Canadians to a healthy and safe working environment. The act will create a national institute to promote research, collect and

analyze data, publish and distribute information, support the training of personnel, and sponsor public forums on occupational health and safety. It is not my intention to set up a bureaucratic agency. The centre will be run by workers and employers, with the assistance of federal and provincial government representatives and medical and scientific advisors.

And finally, we are working on other aspects of the 14-point program for bettering working conditions and improving the collective bargaining system. As soon as the wage and price controls program has ended, I hope I will be able to bring together representatives of labour and management and establish some of the centres and programs I have been talking about for the past year. These include a collective bargaining information centre and a quality of working life centre. The co-ordinating group for all of these centres will be a national consultative body consisting of representatives

of labour and business, together with government.

I would like to invite the Guild, as an integral part of the labour movement, to take an active role in formulating these programs. There was a time, not so long ago, when many of these proposals were treated as pie in the sky. That is no longer the case. Labour and business want to go back to the free market, but they don't want to go all the way back. There's a need for consultation mechanisms which will function on a permanent basis. We should be taking the steps now to get these mechanisms in place.

INFORMATION

NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO

THE HAMILTON LEGAL SECRETARIES ASSOCIATION

HAMILTON, ONTARIO

TUESDAY, APRIL 4, 1978

6:00 P.M. EST



It has been some time since I've delivered a speech in Hamilton, and I am very pleased I was able to accept this invitation from this particular group.

Politicians, particularly government ministers, often find themselves tailoring their speeches to particular groups. In my case, it is usually to various labour or employer groups, and there is a tendency to direct remarks towards specific topics of concern and dwell on them in great detail.

Tonight I hope to be able to widen my remarks to you as Canadians with a lively and personal interest in the future of this country.

There are many challenges for Canadians today. They are challenges to our spirit, challenges to our common sense and challenges to our confidence.

These challenges arise from many sources. There is the question of the Canadian economy. Can we provide enough jobs for the growing number of people who want and need them? Can we be competitive enough and innovative enough in an increasingly competitive world? There is the question of national unity. While this may seem less immediate and less personal than being able to find work, it would be a great mistake to think that we can do without any part of

this country without very much changing the society in which we live and certainly in which our children will grow up. Are we going to be able to share the wealth and creativity of this country and to see it as a whole with which we can meet the challenges of a rapidly changing world? Or are we going to fragment our strength and repudiate the efforts of our past to overcome barriers of geography and language and culture?

There are other questions which we must face. For example, women, especially women in the work force, want to increase their opportunities; they want to compete on an equal footing with men. Can Canadian society adjust so that those opportunities are there and women are in a position to make the fullest possible use of them?

In all these areas I believe we can and are making progress.

In the last 10 years, for example, we have consistently moved at the federal level to remove the built-in legal inequities that discriminated against women. The Immigration Act, the Public Service Employment Act, the Unemployment Insurance Act and the Canadian Citizenship Act have all been amended to expend equal status to women. Of 122 recommendations made by the Royal Inquiry into the Status of Women, 98 have so far been fully or partially implemented. The Human Rights Act provides an equal pay for similar work provision.

But it is a mistake to look only at these actions in which sex is specifically mentioned. Women have a right and a need to work. They are not peripheral to the work force. So when we undertake steps to improve the situation of workers, we are acting on behalf of all workers, men and women.

Obviously, there are particular issues that apply only to women or more to women than to men. Men don't get pregnant.

That's a fact that can't be skirted, no matter how often you refer to "pregnant persons" or "pregnant employees" as one opposition member did during discussion on amendments to the Canada Labour Code which prohibit the firing or laying off of a woman because she is going to have a baby.

But the important thing about this change is that we are saying that a job is just as important to a woman as to a man. We are trying to end the myth that women work for frills because we know that half of the three million working women must work to support themselves and that the salaries of many more are important to maintaining an average level of income for their families.

So when we move to extend more protection to unorganized workers as the new amendments to the Labour Code, -- to protect them against unjust dismissal, to protect them against reprisals for attempting to organize, to give them the right and duty not to work in unsafe conditions -- we are acting on behalf of all working Canadians, men and women.

Obviously a key issue for all Canadians is the economy and the need to provide more jobs for those who wish or need to work. Unemployment, in spite of the various social security measures we now have in place, remains hard on the individual who through no fault of his own cannot find work. It disrupts lives, can destroy plans and can impede the efforts of those who are trying to overcome established patterns of hiring and promotion.

There is no doubt that Canada has undergone more difficult times recently than we have been used to. But there is a difference between a realistic assessment of our position and unjustified pessimism.

Attempts to compare the situation today, for example, with the depression, are eyecatching nonsense. They ignore both the tremendous growth in population and the size of the labour force.

Far from 1978 being the year that Canada closed down, as some were suggesting, there are reasons to believe that we are now making a recovery from the slow down over the past two or three years. And it is important to remember that we went through a slow down not a break down.

Common sense should tell us that Canada could not expect to have breezed through a world situation which was causing havoc with all our trading partners. Common sense should tell us that when the price of oil, a key ingredient in the economies of industrialized nations, quadruples overnight, then Canada which is very much part of the world community, is going to be affected.

In fact Canada was in the fortunate position of being able to cushion the blow of the oil price hike by allowing our prices to rise more slowly than in the rest of the world. And over this difficult period, the Canadian economy has continued to grow and to perform better in many areas than our trading partners.

From 1973 to 1976, according to the Organization of Economic Cooperation and Development, Canada had the third highest rate of growth in real Gross National Product of the 13 member countries, including the United States. In spite of rising prices, the real disposable income -- the money Canadians had in hand to buy goods after taxes -- rose throughout the recession at a rate only exceeded by the United States.

Throughout the 1970's, we have created more jobs than ever before each year, while other countries, including Germany and the U.S., found actual employment declining. In spite of this, we are faced with high unemployment partly because Canadians are entering the work force at a far greater rate than people in other industrialized countries.

So overall, the Canadian performance is not one to be booed. There is strength there, and there is reason for optimism.

This doesn't mean that we can immediately return to business as before. Many problems still exist but we are in a better position to meet them and to take advantage of the opportunities that are presented to us as our trading partners begin to prosper.

Our record of man days lost to labour disputes, so badly exaggerated by inflation, has been cut by almost two-thirds. Wage settlements have come down from 15 percent to about 7 and 8 percent. Profit margins have declined under the AIB from 28 percent to 11.4 percent. Price increases among companies required to pre-notify the Board have moderated to between 4 and 4½ percent in 1977 and costs are now rising here more slowly than in the U.S.

I believe Canadians have adjusted their expectations to a degree where we will not be face with a sudden race to extract more than the economy can bear. It is difficult to say exactly how much of this improvement is directly due to the AIB, but it seems clear that it succeeded in bringing an end to the uncertainties and driving home to all of us the seriousness of the situation.

Perhaps the most significant development is the increased recognition of the fact that the Canadian economy is a shared enterprise. It has to be in a nation in which the federal government receives less than half the tax revenues and has jurisdiction over only about 10 percent of the work force. It has to be in a country in which economic decisions are being made by each one of us, through our unions, our associations, our businesses and corporations.

And I think we have moved on this front towards establishing a new relationship between the various interests which influence the economy. Two years ago, for instance, the CLC adopted the idea of tripartism -- joint decision making by labour, business and government. This week, the CLC is meeting again and retiring CLC Leader, Joe Morris, was recently quoted saying it was an idea before its time. I disagree with him on that. It may not come precisely in the form that was originally envisioned, but I think patterns of dialogue and cooperation have been set between all the partners which will continue.

I do not have time to list all the steps we are taking and have taken to set the economy on course, but I am confident when I look at this city, for example, that times are improving.

I still see real problems. I see office towers that are unrented; I see high unemployment in the construction trades; but I also see the jobs that are going to be opened up as the Steel Mills begin supplying pipe for the Alcan pipeline. I see the sale of Hamilton manufactured compressors to this project creating more jobs. And I take confidence from the fact that these industries are producing a quality of product at a competitive price that shows with the right mix of drive, investment and innovation that Canadians are competitive.

One of the reasons I am confident that these jobs will be coming to Hamilton is the past relationship the steel industry has established with the western Canadian interests that are building the pipeline. When steel prices were soaring because of scarcity of supply around the world, Hamilton maintained a continuity of supply to its customers rather than seeking short term gains elsewhere. The kind of confidence and trust this kind of event created is invaluable. It goes to the heart of what Canada as a nation is all about.

There are those who argue that prosperity is the key to national unity. To me this is like saying that a marriage or partnership is valid only "in health". The value of a marriage, or a partnership, or a united country, is at its most valuable in difficult times. It is then that we draw strength, reassurance and security from each other. It is then that we need most the diverse sources of wealth we have in this country.

Separatism does not rise and fall simply on the economic indicators. There have been separatist movements in Nova Scotia, for example, when that part of the country was both one of the have provinces and one of the have nots. In Quebec, the separatist cause came to the fore during the 60's which we will remember was a time of continuing growth and economic progress.

So I am confident that the separatism threat in Quebec is being met because we recognize and have recognized that separatism has many sides.

It is clear that the P.Q. government was not elected to take Quebec out of Confederation. It is clear by the way the government has to juggle its terminology from independence to sovereignty-association and back again that the separatists are still seeking a formula that will give them broad support for their goal. Indications are that the basic support for separatism has been held to a steady minority of the people.

This is so partly because many Canadians in other parts of the country have demonstrated a willingness to accomodate and understand the language and cultural aspirations of their French speaking compatriots.

Our language and cultural policies have established a continuing federal presence in Quebec. Without them, I wonder whether today there would be spokesmen who could speak with authority for a united Canada.

Now we are entering a new phase of constitutional examination. The importance of this has often been downgraded by critics who argued it could wait on the economy. But I think the importance of this step is now becoming recognized, for unless we tackle the issues of unity -- cultural, political and economic -- together accomodations will elude us.

These are the challenges we face. There is the basic strength in this country to meet them. However, for us to realize our full potential, for our laws or our constitution to be meaningful, will require Canadians to demonstrate the spirit and will to make them work. I believe the will and the confidence are there. Canadians will be able to work together and continue to develop this country as one in which all Canadians -- whether they are employers or employees -- and whatever their cultural background, can fully share in.

Thank you.

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FOR AN ADDRESS BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

WORKER EDUCATIONAL LEAVE

FOR SKILL-TRAINING AND PRODUCTIVITY

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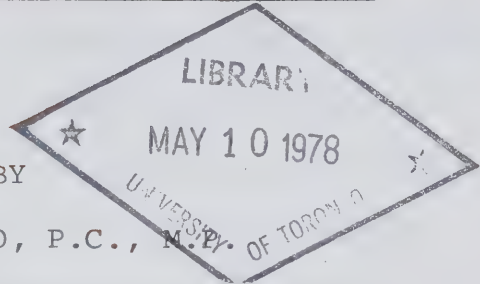
THE CANADIAN LABOUR CONGRESS

SIMON FRASER UNIVERSITY

VANCOUVER, B.C.

SATURDAY, MAY 6, 1978

9:30 AM PDT



It is a pleasure for me to be here today to address you on the issue of educational leave of absence for Canadian workers. I would like to congratulate Ann Harley of Simon Fraser University, and Art Kube of the Canadian Labour Congress, for their success in organizing the conference.

I have given my support in principle to educational leave on a number of occasions, including the annual convention of the International Labour Organization in Geneva a year ago; and the annual convention of the Canadian Association for Adult Education in Windsor, Ontario, last October. My support for the concept has not diminished in the intervening months. I regard educational leave as one of the most important emerging programs that is available to workers and employers and Canada as a whole.

In accepting your invitation to give the keynote address to this conference, I believe that I should be prepared to pose two questions, and give my own answers at least in a preliminary way.

The questions are these.

First, where do we, in Canada, stand on the question of educational leave of absence for workers?

And second, where do we go from here?

On the question of where do we stand, I could answer, in part, by referring to the report which I tabled three weeks ago in the House of Commons. The report was the Canadian position with respect to certain Conventions and Recommendations of the ILO, including the 1974 Convention and Recommendation on paid educational leave. The ILO Convention constitutes a good point of departure in that it provides a target for all the industrial countries to shoot for.

My report to the House of Commons recalled that the aim of the paid educational leave convention is to give workers the possibility of updating their education and training throughout their working life. It recognized the need for recurrent education to bolster job security, to assist workers in their personal and cultural development, and to give them greater access to trade union education.

Science and technology are bringing in new changes all the time. Workers find themselves in dead-end jobs. Lay-offs and plant closures occur on a troublesome scale. New jobs require new skills. Educational leave is

not a substitute for education and training in early life, but it should be an important means for helping workers adjust to a change of job, or a change of mind.

The ILO has recommended that workers should be able to maintain their level of earnings while they are on educational leave of absence, and their pay should take into account any additional costs of education or training.

This Convention has been ratified by at least nine countries -- the United Kingdom, France, the Federal Republic of Germany, the Netherlands, Sweden, Czechoslovakia, Hungary, Cuba and Guinea. Several other countries have developed advanced systems of educational leave, but do not meet all the ILO criteria which are required for ratification.

Canada is not yet on the list. As my report to Parliament indicated, there is only limited compliance with the Convention in this country. Ratification is being delayed, pending the result of further consultation with employers and the labour movement.

We now have a pretty good handle on the state of compliance in Canada.

Last year I ordered a thorough study of paid leave to be carried out by my Department. It was done with the general objective of promoting better industrial relations in Canada in the post-controls period.

We looked at the Canadian experience. We looked at what our major trading partners are doing. We considered the extent of the need for improved educational opportunities, the facilities available, and the role that educational leave might play in Canadian industry and Canadian society. We took into account the possible methods of extending paid leave, including voluntary action by employers, collective bargaining and legislation.

There are many questions for which we still don't have the answers.

We don't know, for example, the full range of courses which are available to employees on educational leave under collective agreements or in employers' voluntary plans. We don't know with any certainty which job categories are eligible for leave, or the participation rate among those who are eligible. We have no idea of the number of production hours devoted to educational leave, or the direct

financial cost.

But here are some of the things we do know:

. Educational leave of absence with pay is available in a small minority of employment situations. Canada is lagging behind the United States and many of the Western European countries in this regard.

. Where educational leave is available, the most ambitious and the most motivated workers are the ones who take advantage of it. Usually these are the employees who have already achieved a higher than average level of education, and hold jobs in the top levels of the organization.

. Where employers have introduced paid leave voluntarily, the opportunities are usually restricted to employer-approved programs.

. Where educational leave is the result of collective bargaining, the most favoured courses are also those which promote the efficiency of the employer, but trade union education and skill training of the worker's choice are also prevalent.

. In the absence of legislation, the availability of educational leave is usually denied to employees of small firms. And finally,

. There is a variety of methods for paying for educational leave. In some countries, the government pays. In others, the employer and the government share the cost. In still others, the employer bears the entire cost.

In Canada there's been a lot of support for educational leave in various forms, but few are prepared to recognize it for what it is. And the various efforts are not co-ordinated.

Government as employer is one of the leading sponsors of educational leave -- but only for its own employees. The official languages training program of the federal government is the most extensive program of educational leave ever undertaken in this country.

Many of the major corporations have conducted educational leave programs, or bought training courses at universities and professional institutes, for their management and technical staff for many years. But few, if any corporations have been vocal in extolling the virtues of educational leave for employees in general.

The trade unions have recently become active in promoting educational leave, but they are mainly concerned with the development of trade union leadership potential. The Canadian Labour Congress endorsed the ILO Convention on educational leave in 1976, and several unions have adopted educational leave as a collective bargaining priority. The UAW, which first negotiated a formula based on one cent-per-hour worked as the door-opener to educational leave for plant workers, now has more than 20,000 members covered by such a provision. It's a significant beginning, but only a small percentage of union members will participate. In order to extend the benefit to the majority of workers in a bargaining unit, a trade union would require much more than one cent-per-hour.

The federal government has provided further stimulus to educational leave. For several years the Department of Regional Economic Expansion has been funding labour education programs in the Atlantic provinces -- programs which are directed by the federations of labour.

I extended this program last year with a grant of \$2 million a year for each of five years to the Canadian

Labour Congress; \$160,000 a year to the Confederation of National Trade Unions; \$34,000 to the Centrale des Syndicats Démocratiques; and \$75,000 to the Teamsters. Other labour centrals, including unions of nurses, teachers and social workers, received grants totalling \$265,000, all on a per capita formula, for fiscal year 1977-78. According to the agreements between the federal government and the various labour organizations, the grants are made for the establishment of labour education programs. They will allow officers, staff members and potential labour leaders to acquire a more extensive knowledge of the labour movement and its goals, and the skills necessary for their jobs in the labour movement.

When I look at the entire picture, I'm encouraged -- not by the absolute progress that we've made, because the record in terms of dollars committed and workers on educational leave isn't all that great. I'm encouraged by the fact that governments are supporting educational leave -- for their own employees at least. Corporations are supporting it in a significant way -- for their senior people at least. And trade unions are making gains in establishing leave programs -- for training their own officers at least.

The discouraging aspect is that what's good for the few and the privileged hasn't been made available to everybody who can qualify and who wants to participate. Not every Canadian worker will want to make the effort, but there should be no artificial barriers.

I am concerned -- and I believe you are, too -- that where educational leave is available, it is available on a restricted basis. This raises the question of equity. Those who are least qualified have the most restricted access.

Further, there is likely to be more training opportunities in the manufacturing sector than, for example, in the service sector. The result could be the exclusion of many women or native people from the benefits of a program. And just having equal access is not sufficient; experience has shown that workers in less skilled occupations are not usually as aware of the opportunities.

This brings me to my second question -- where do we go from here?

I believe the first thing we should do is to establish the consultative mechanisms which will bring together all the interested parties and try to find out the potential for education leave for Canada.

This conference is part of that consultative process. It would be profitable to hold more conferences like this one in all the regions of Canada.

The delegates here include trade union members who are seeking ways to develop educational leave programs for their fellow workers, and how to pay for them; some of you are representatives of business and industry who will make decisions for or against extending educational leave to your employees; others include members of the teaching profession and educational institutions who are concerned with the drafting of course material and the training of instructors for adult classes; and included also are officials of the department of education who represent the public authority.

Obviously we are fortunate in some respects to be arriving a little later than some other countries to a consideration of educational leave. We can learn by their mistakes.

A recent study of educational leave by the Organization for Economic Co-operation and Development made the point that an extreme degree of alienation exists between workers and teachers of public educational institutions, between the labour movement and the educational establishment, in some of the western countries. The OECD reported that in none of the countries studied were officials responsible for education involved in the bipartite discussions between employers and unions. Ministers of education never took any initiatives for promoting educational leave for workers. All the prompting came from trade unions and, in the case of governments, from the minister of labour or employment.

The representation of the various parties at this conference, and at others like it in the future I trust, bodes well for the discussion of the issue in this country. I am confident that the labour movement and the business community will bring the educational institutions into full partnership in the consultation process.

At the federal level, we are doing our part to encourage the consultation process. On behalf of the federal government, I have given a total of \$215,000 to universities

and community colleges in all the regions for the purpose of developing course material and curricula for trade union educational leave programs.

But the participation by all of the parties, not just the educators, is essential. I make special reference to the business community.

Since most of the training that would be provided under a comprehensive program of educational leave would be vocational in character, it is obvious that employers must be involved from the earliest stages of preparation.

We have some distance to go before we could count on that participation. Employers and employer organizations are approaching the whole question of educational leave very cautiously. Of the whole 14-point program which I announced a year and a half ago, the educational leave proposal was the one which gave employers the greatest trouble.

Employers are fearful that the potential cost of educational leave would be an unwelcome burden on their enterprise, and one which, if broadly adopted, Canada itself could not afford. In any event they tend to support the view that governments and not employers should bear the cost of education.

Employers are also concerned about the temporary loss of productive workers, sometimes their most productive workers, if they were to be absent for lengthy periods on educational leave. A rotation of workers going on courses would disrupt an operation for extended periods.

The same concerns have been expressed by employers in other countries. Our research indicates that employers in other countries who were also reluctant at first, came to appreciate the increased productivity benefits of educational leave. We would have to win that appreciation, and that support, in this country. But to do so, we would have to move forward carefully and involve employers and their organizations at every step.

Trade unions have different problems. Many workers who could benefit by educational leave retain unfavourable memories of their schooling in earlier years. If educational leave is to make a broad appeal, the trade unions must make a special effort to get the most reluctant of their potential candidates involved. They would have to work closely with educators to develop courses and teaching methods that are appropriate for adult students.

Finally, I am seeking your support for some new initiatives which I am taking in the interest of examining the potential for educational leave and some related matters.

I am moving ahead with three industrial commissions of inquiry.

The first is a commission of inquiry into lay-offs and redundancy of employees in federal industries. The commission is being asked to study redundancy and lay-off procedures, the obligations of employers and trade unions in lay-off situations, and the possibility of changes in practices which would avoid or minimize lay-offs.

The second is a commission of inquiry into the potential benefits of wider-based bargaining. For many years 17 railway unions and nine railway companies have found it to their common advantage to meet at one bargaining table, and thereby lessen the likelihood of a breakdown in an important national service. The arrangement does not rule out a strike or a lockout, but it does reduce the odds for a sequence of work stoppages. The commission will be investigating the prospects for the voluntary application of wider bargaining to other federal industries, such as grain handling, the airline operations, and communications.

The third inquiry is into the feasibility of educational leave. The commission will assess public awareness of, and commitment to leave for educational purposes; and examine the record of Canadian experiments with educational leave, in particular the contribution which educational leave can make to improved productivity.

I think you will agree that all three of these inquiries are inter-related. In the event of a lay-off involving several hundred workers, there is the usual requirement of notice. Most if not all the workers laid off would be eligible for unemployment insurance and in some instances would be entitled to supplementary unemployment benefits. They would also be protected by the employer's recall notice, and they would have preferential rehiring rights according to seniority. In the event of a lay-off that is anticipated to last several weeks, it would also be profitable -- for the workers and the employer -- to install a program of education or skill training. We have been faced with some major lay-offs in the past year, but we have not yet been able to move in with a program of training that was acceptable to the parties.

An arrangement for wider-based bargaining can also be linked conceptually with improved opportunities for educational leave. Skill training which was supported by an entire industry would be considerably more efficient when there were prospects for hiring with a multitude of employers and in a multitude of locations.

All of these inquiries will be inviting briefs and representations from trade unions, employers, educators and others. I hope that you will be forthcoming with your support and your proposals.

I thank you for inviting me here today. I wish you all an inspiring and productive conference.

INFORMATION

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.,

MINISTER OF LABOUR

TO A SEMINAR OF

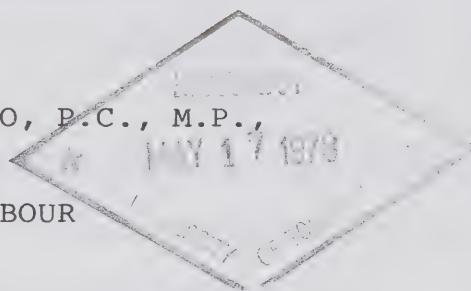
THE SWEDISH LABOUR MARKET BOARD

HOLIDAY INN (KENT STREET)

OTTAWA, ONTARIO

THURSDAY, MAY 11, 1978

9:30 A.M. EDT



On behalf of the Prime Minister and the federal government, your Excellency, I thank you for your kind invitation to participate in this seminar, and I welcome to Canada the distinguished delegation from Sweden. I hope that the Swedish visitors will profit by this tour of Canada, and that you will not lure all of our best hockey players to go back home with you.

I also express my appreciation of this opportunity for joining in a cultural exchange with our visitors, together with our colleagues from the provinces and the delegations representing the labour movement and employers in Canada.

The practices and procedures of labour-management relations and the labour market of Sweden are frequently held up as models of rational behaviour. I trust that your scrutiny of Canadian institutions and practices during the next few days will not confirm any latent suspicions that Canadians are totally devoid of reason. In any event, I am sure we are looking forward to exchanging views on the challenges we face in our labour markets, and the programs we are undertaking to meet those challenges in our two countries.

Today I intend to speak to you about labour relations and labour market policy in the Canadian context; then give you a summary of some of the measures which are being taken by the federal government, many of them in co-operation with the provinces, to correct the difficulties which exist in our labour market; and finally to review the changes that are taking place, and others which I for one would like to see take place, in labour-management relations in Canada.

THE CANADIAN CONTEXT

Canada has shared the common economic fate of most of the industrial countries over the last two to three years. Economic growth slowed down in Canada in the second half of 1976, as it did in most of the industrial countries. Personal spending in Canada was down. Inventory build-up, which had provided a significant boost to the growth in output in the first half of 1976, levelled off. No sector came forward to inject new stimulus into the pace of economic activity. In 1977 in the United States, which is Canada's major trading partner, there was a deceleration in growth following earlier indications of a promising recovery.

The slowdown in the industrial world was reflected in labour markets. By the end of 1977, unemployment in the

industrial world reached 16.3 million persons. This was half a million higher than the low point of the 1975 recession and equal to 5.4 per cent of the labour force. Only the United States recorded a significant improvement in its unemployment rate by the end of last year.

Inflation in the industrial world, as measured by consumer price changes, declined in the latter half of 1977. This reversed an earlier trend. The increase in OECD consumer prices entering 1978 was lower than for the previous year. At 8 per cent, Canada's performance was better than the average of all OECD countries. But our rate was above the U.S. performance, which stood at 6.5 per cent. The rate of inflation continues to be a concern for Canadians.

The Canadian economy, and our labour market, have been affected by changing world trade patterns. The current account deficit of OECD countries widened last year. The United States deficit increased substantially. Japan's surplus continued to increase.

The volume of Canada's exports of goods and services increased 7.7 per cent last year, the second consecutive year of strong export growth. Our imports increased two per cent in volume. But due largely to the depreciation of the Canadian dollar, Canada incurred a significant terms-of-trade loss.

The loss in terms of trade offset our gain in the volume of trade, leaving our current account deficit unchanged in 1977 at \$4.2 billion.

Movements in exchange rates resulted in better access to world markets for Canada's exports, but they also brought increases in food prices and some acceleration in our rate of inflation.

Wage levels trended downward last year, and this trend is continuing this year. Average weekly wages in the industrial sector increased by 9.7 per cent in 1977, compared to 12.1 per cent in 1976. Negotiated wage settlements in the first year of collective agreements averaged 8 per cent last year, and will probably be about 6 per cent this year.

Employment in Canada grew 1.9 per cent last year, only slightly more slowly than the 2.2 per cent growth of 1976. The labour force growth rate accelerated to 3 per cent due to an increase in the participation rate. Unemployment rose one percentage point to 8.1 per cent.

There was a marked improvement in our record of industrial disputes. After reaching a level of 11.6 million in 1976, the number of man-days lost in industrial disputes declined dramatically to 3.4 million in 1977. While disputes in 1976 involved large number of employees and lasted several

months, the typical dispute in 1977 involved fewer workers and was short-lived. This trend is continuing in 1978.

As measured by real GNP per person employed, labour productivity rose 0.7 per cent in 1977. This modest gain followed an accumulated 1.5 per cent decline between 1973 and 1975 and a 2.6 per cent recovery in 1976. The goods producing sector, however, recorded a strong 3 per cent increase in productivity.

All regions of Canada experienced the slowdown in economic activity in 1977.

Output in British Columbia and Alberta grew at rates above the national average, in Ontario at the average, and in the rest of Canada below average. The largest increases in unemployment occurred in Quebec and the Atlantic provinces.

Finally, there are some particulars about the labour market which should be worth noting.

The labour force has increased by almost 3 million, or 37 per cent, over the last 10 years. This increase is due to population growth, immigration, and a participation rate which has risen from 58 per cent to 61 per cent over the decade. Between 1967 and 1977 the participation rate of young people rose from 56.6 per cent to 63.3 per cent and that of women increased from 56.6 to 63.3 per cent.

. More Canadians are employed -- 2.3 million more -- than 10 years ago. But with larger numbers of young people coming into the labour force and a higher participation rate among adult women, unemployment levels are higher.

. In the period 1970-76, the latest for which international comparisons are available, the number of Canadian jobs increased by 21 per cent. This was double the increase for the United States, and higher than any industrialized country.

. Some Canadians have a low degree of adaptability to changing conditions in the labour market, including native peoples and those with physical and mental disabilities.

There are other aspects of the economic situation and the labour market which will be discussed here today, but I would like to turn now to some of the structures and policies which we have instituted to deal with our particular problems.

STRUCTURES AND POLICIES OF THE LABOUR MARKET

First, I would like to deal with some of the institutions which we have developed and which have involved a high degree of consultation and co-operation between government, the labour movement and employers.

We could start with the Unemployment Insurance Commission. The Commission was established in the early 1940s to administer the unemployment insurance program. It was headed by a chairman representing the public interest, a commissioner representing employers, and a commissioner representing employees. The two commissioners were named, as a general rule, following consultation with organizations of employers and unions. The commission made recommendations to government concerning the unemployment insurance program, and it was responsible for a National Employment Service.

The 1940 Act which established the commission also provided for the creation of the Unemployment Insurance Advisory Committee. This committee, with representatives from labour and management in equal numbers, plus a chairman named by the government, acted as a watchdog on the payout of benefits, benefit levels and the state of the insurance fund.

Structural changes were introduced in the mid-1960s. It was decided to separate the employment service from the insurance program in order to allow for a more rapid development of manpower policies. The Department of Manpower and Immigration was the result of this separation. The

Department was responsible for a Manpower and Immigration Advisory Council to which were appended a number of tripartite bodies such as the advisory boards on adult occupational training and on immigration.

Again in the mid-1970s, we decided that manpower policies had reached a level of maturity which allowed the bringing together of the two main arms of the government's intervention in the labour market -- the income maintenance program represented by unemployment insurance, and labour market policies administered by Manpower and Immigration.

The new Canada Employment and Immigration Commission established last year, has inherited the responsibilities of the previous department and its agencies. The legislation provided for a revamped Canada Employment and Immigration Advisory Council, made up of a chairman and vice-chairman appointed by the government (only one of whom has voting power at any meeting), and two commissioners chosen after consultation with labour and management.

The Commission's mandate extends to all matters dealing with the management of labour market policies and programs, immigration, and unemployment insurance. The new advisory council has 21 members -- one-third representing each of government, labour and employers.

The Canada Employment and Immigration Commission, like the Department of Manpower and Immigration before it, engages in extensive consultation with employers and workers, notably through the Manpower Consultative Service commonly referred to as the MCS. The MCS was created in 1963 to encourage joint action by employers to deal jointly with manpower adjustment problems, usually those related to new technology, new opportunities and new jobs. Incentives are made available to encourage employers to work with their employees in devising internal remedies for job dislocations.

The program includes formal joint agreements signed by the employer, the trade union and the Minister, with the Commission paying 50 per cent, and sometimes more, of the cost; and mobility assistance grants of up to 50 per cent of the cost to the employer of transferring workers to suitable new jobs.

In addition, the Commission is responsible for a National Youth Advisory Group which deals with problems of youth employment; job creation programs such as Canada Works and Young Canada Works, each with its ministerial advisory boards; and the Community Employment Strategy, which co-operates with the provinces and communities in dealing with employment-related programs.

More details on these programs will be available later in the seminar.

I would like to turn now to a review of the government's response to current problems of the labour market.

First, we have taken action through monetary and fiscal policies within the same kinds of constraints which face governments in all the industrial countries. These policies are aimed at stimulating the economy so as to encourage investment by the private sector and to create jobs, but at the same time avoid adding to inflationary pressures.

I am reminded of the recent statement of the British Prime Minister, Mr. James Callaghan, who faced his critics with these words:

"We used to think that you could spend your way out of recession and increase employment by cutting taxes and boosting government spending. I tell you, in all candor, that that option no longer exists and that insofar as it ever did exist, it only worked by injecting bigger doses of inflation into the economy followed by higher levels of unemployment as the next step."

In our budget of March 1977, the government adopted measures which were designed to have a responsible expansionary impact on the economy. The budget reduced the federal tax on individuals and corporations by more than \$1 billion in the fiscal year 1977-78. This was in addition to \$900 million in personal income tax reduction resulting from indexing. Other measures were designed to stimulate private investment. Further tax measures announced in October, 1977, resulted in a reduction of more than \$700 million in personal taxes for low- and middle-income taxpayers.

In his last budget, presented one month ago, the Minister of Finance announced major structural changes in three industrial areas; namely, research and development, transportation and energy. These were designed to improve our efficiency and have an impact on unemployment levels.

Second, we are conducting a fundamental survey of the economy, sector by sector, to determine what steps can be taken over a period of three or four years to ensure sound growth and development. This review, which is to be completed by next month with a report to Cabinet by early fall, is aimed at co-ordinating federal and provincial efforts with respect to investment and employment and identifying ways to co-operate with the private sector. I will make a further comment on the sectoral studies in a moment.

Third, we are taking action for direct job creation. As in 1977-78, \$458 million has been allocated to the employment strategy for the present fiscal year. This includes more than \$300 million for direct job creation through the Canada Works and the Young Canada Works programs. The 1977-78 strategy created jobs for about 185,000 participants, involving about 611,000 man-months of employment, in addition to helping others find jobs in the private sector. The jobs were targeted primarily to regions suffering the highest levels of unemployment.

Fifty million dollars of the Canada Works funds have been allocated to finance such projects as improvements to communications, fisheries and forests and the development of feed technology, power systems and energy conservation. These programs will improve the climate for private sector investment.

Canada Works includes funds which may be deployed to areas hit by economic or natural disasters. Last year six communities were assisted.

A total of \$150 million has been allocated for the Federal Labour Intensive Program to provide additional jobs in the public sector.

This year we introduced a new employment tax credit program. Up to \$200 million will be used over a two-year period to stimulate the employment of individuals in the private sector by use of the tax incentive.

In total, the government has allocated \$1.2 billion to support direct job creation.

In addition to the Young Canada Works, we are assisting young people through the allocation of \$117 million of the Employment Strategy funds to counselling services, co-operative education, and job experience programs for drop-outs and potential drop-outs.

Native peoples are being assisted through allocations from the Canada Works budget, as well as programs sponsored by the Department of Indian and Northern Affairs and the Department of Regional Economic Expansion.

We also have preventive measures for dealing with emerging problems in the labour market. The government is now spending more than half a billion dollars on training, with an increasing emphasis on industrial training in line with job opportunities. Included in this program is training for seriously disadvantaged workers.

Unemployment insurance benefits are being used to enable the unemployed to take training. In addition, unemployment benefits are being used to finance work-sharing in order to avoid or delay lay-offs.

More details on employment and training programs will be available through the officials later in the seminar.

NEW INITIATIVES IN LABOUR-MANAGEMENT RELATIONS

Finally, I would like to conclude with a few remarks about the changing situation, as I perceive it, with respect to labour-management relations.

First, let me say how pleased I am to be participating in a seminar with representatives of the labour movement and the employers, as well as with our provincial colleagues. I sincerely hope that we will all find the experience to our common advantage and resolve to resume meetings of a consultative nature on a regular basis.

I have spoken on this subject on a great number of occasions over the last two years, and I am glad to do so again.

It has struck me with considerable force that Canada's major trading partners many years ago established consultative mechanisms which permit easy and constructive

consultation between government and business and government and labour. Even more desirable from my point of view, they have established consultative mechanisms where all three parties meet and discuss economic and social problems.

We have made a start in this country, but we still have a long way to go.

More than three years ago, the government, the Canadian Labour Congress and the employers organized the Canada Labour Relations Council. The Council did some good work in the following months. It agreed in principle to the establishment of a collective bargaining information centre. This centre would provide data on wages and working conditions and the state of the economy which would be acceptable to both of the parties in collective bargaining. The Council also agreed that we should proceed with a review of quality of working life experiments in Canada. The review was completed and printed, but never distributed. The Council was suspended following the introduction of wage and price controls and all of its work in progress was set aside. I respected the decision by the labour movement to withdraw, but I believe the time is approaching when we can take a fresh look at some new structures.

It is ironical, perhaps, that while wage and price controls caused a rupture in the formal consultation process, the number of informal sessions actually increased. There were more consultation meetings between government and labour, between government and business, and labour and business than at any time in our recent history. A significant result of the consultations between labour and business was their decision to make a common approach to government; namely, their demand that the wage and price controls program be discontinued immediately.

There are other indications that the consultation process is being revived. Early this year, the government joined the GATT negotiations at Geneva. We have indicated our willingness to bring labour as well as industry into a consultation process before commitments are made on tariff changes.

Still another example of consultation which has produced beneficial results is the extended consultations that were undertaken last year with respect to my 14-point program to improve the working environment in Canada, to improve the collective bargaining system, and to improve the structure of labour relations.

Much of this program has now been passed by Parliament, and consultations are continuing on the rest. In particular, we are consulting with business and labour for the establishment of the Canadian Centre for Occupational Health and Safety; to study the feasibility of educational leave of absence for workers; to seek new procedures to diminish the impact of mass lay-offs; and to inquire into the possibility of wider-based bargaining in federal industries.

Finally, the government is currently renewing with great urgency its efforts to involve both business and labour in consultations on the economy. Our competitive position in our domestic and foreign markets are at stake. Jobs are at stake. Once again we are calling for a collegial effort on the part of both business and labour to give their advice as to measures necessary to improve Canadian performance in 23 industry sectors.

This effort was developed as a consequence of the deliberations at the Conference of First Ministers in February. The first Ministers agreed to seek the active involvement of the private sector, both business and labour. Consultative task forces were organized for each of the major manufacturing sectors as well as construction and tourism. In addition to business and labour, the provinces are actively involved.

The special aspect of this review is the co-operation which is being demanded and demonstrated. Each task force is being asked to bring forward a clear definition of the efforts that business and labour are willing to make together to improve industrial efficiency.

This is the giant step forward.

Three years ago, as far as I am concerned, business and labour came together and started talking to each other.

Wage and price controls brought business and labour together again, this time to demand that the government end the controls. That was a one shot deal. Once the controls were out of the way, there would be no need to continue with joint meetings.

The task forces on the industrial sector performance are different. They have the potential not only to bring business and labour together for the purpose of arriving at common recommendations; they will also reveal the logic of continuing together in a consultative process so that some or all of their recommendations can be implemented by government with their advice and support.

I believe that these examples of consultation will give you some indication at least of the approaches that we are making to our economic problems and our labour market problems. Government has the final responsibility, but we can do our job most effectively if we have the co-operation of all the interested parties.

INFORMATION

NOTES FOR REMARKS

BY

T. M. EBERLEE

DEPUTY MINISTER OF LABOUR

TO

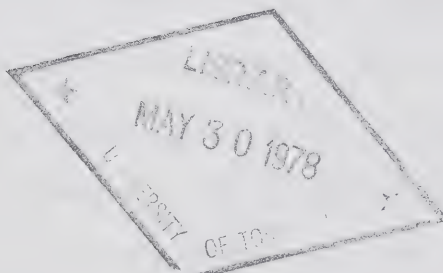
THE CONFERENCE

OF THE INTERNATIONAL PERSONNEL

MANAGEMENT ASSOCIATION

OTTAWA

MAY 24, 1978.



It is an honour to be a member of a panel that includes Mrs. Hartman, Mr. Whitney and the man who almost spoiled my Christmas holiday - Mr. Walter Stewart. I should explain that my wife gave me a copy of Mr. Stewart's book. That would have been kind and affectionate, were I a bureaucrat in some area other than the labour affairs field who could have read it all with appropriate detachment. But in my case her loving gesture had, as it turned out, all the earmarks of unadulterated sadism. In short, I did not need to be reminded, especially during the gladsome Christmas holiday season, that the world of union-management relations may well be as horrible as Mr. Stewart depicts it. But apparently there is no escaping the subject. We simply have to suffer - as, indeed, this very panel this morning will undoubtedly demonstrate.

"The strike - is there an alternative?" The quick answer is that at the moment, having regard to the entrenched views of most people in labour and many in management, and a goodly number in fields closely involved in labour affairs (as opposed to the general public which doesn't understand and is fed up with us), the likelihood of much immediate thought being given to alternatives, let alone the possibility of their being tried by any but the most daring, is a bit problematical. I hope that is not

excessively cynical. On the other hand, in the long run, the development of greater rationality in all aspects of industrial relations in Canada is one of those absolute essentials, if we are going to retain our position as a relatively productive, prosperous and individually rewarding society (both materially and psychically). The incidence of strikes or the apparently excessive usage of the strike weapon is only symptomatic of a large and very complex problem.

It is so easy to fall into the trap of speaking from a lofty height of condemnation of everybody else for being responsible for the silliness, the baseness and all the rest that often tend to afflict industrial relations in Canada. I hasten to assert that we are all responsible and that change for the better will only come from a multitude of attitudinal and institutional improvements and not from some magic formula imposed by government or some dramatic repentance by some, one so-called erring party in the equation. The situation is too complex for that.

Perhaps one could start, though, by trying to be realistic - but sketchy - about the strike picture in Canada. By so doing, I would like to convince you that we, as a people, generally are much too intolerant of the use of the strike weapon and of the whole set-up of collective bargaining.

One regular "program" that we have in the Department of Labour - that I sometimes think we should abolish - is the monthly production of data and a public release on the numbers of days lost in strikes for each province and for Canada as a whole. When you consider that constitutional responsibility for labour-management relations rests, to the extent of 90 per cent of the labour force, with the 10 provinces, and that we have to worry directly about only a small minority, you will appreciate the feeling of impotence and frustration that comes over one when commentators assume that because we collect and publish the figures we are also to blame for them. Perhaps of far greater significance, though, is the effect that these easily misunderstood and misrepresented statistics may have upon business confidence and the economic environment both in respect of what happens inside the country and what external forces think about our prospects.

In more ways than one, our strike statistics constitute the Achilles heel of the Department. Taken on their own, they are highly misleading as measures of the state of industrial relations. For example, they are measures only of overt conflict; the tip of the conflict iceberg, so to speak. Strikes themselves may be outweighed in their various effects by additional or alternative

forms of conflict such as voluntary absenteeism, quitting, restriction or control of output, or downright sabotage. These are not very visible, at least to the general public. As delays in the production process, the economic impact of strikes is highly variable and scarcely calculable. Time lost in them is a very small proportion of total time worked (about one-half of one per cent is a high figure which has not often been reached in the annual calculations for Canada as a whole). This is a lot less than time lost through sickness or injury on the job or mechanical breakdowns of equipment, snafus of various kinds and so forth.

The time loss due to strikes, like that attributable to these other factors, occurs unevenly in time and place so that concentration in particular periods or pockets may cause concern. A clear distinction must be made between the impact of strikes on the parties themselves as against the impact on non-participants, whether as contributors to the production process or as recipients of the national interest. Assessments of the costs of particular strikes can be made for each of a series of stages or time periods from the point of commencement of the strike. It is clear that the cost of a strike, if one takes just the period during which the strike is in effect, would be very different from the cost of the same strike assessed one, two or three months

after it had ended, after which time at least some of the various offsetting factors would have had a chance to take effect. It is probable that in most cases, strikes cause delays in, rather than losses of, production, except when the product or service is highly "perishable" or where the capacity of the firm or industry is being fully utilized. Idle capacity, the state of inventories and of market demand, and the availability of substitute products or services are all factors relevant to any costing exercise.

One would have to say, of time lost in strikes, that there are economic costs, and these impinge most directly on workers and employers during the time the strike is taking place (without which costs there wouldn't be much point in striking) but that the costs diminish or are recouped after (and sometimes before) a strike. The costs to the public and to a country are of a small magnitude, while almost all statements made about the costs of specific strikes are exaggerated.

That is not to say that people are not hurt by strike situations - and such hurt can be documented. But I suspect most Canadians have had experiences like mine. In my own private family life, I have been inconvenienced by only a few such situations. The last one I can recall was the Ottawa teachers' strike of the winter and spring of

1975. At the time, it became a great nuisance to my children, but hardly a matter of life or death. Yet, most of us are quite intolerant of the very idea of strikes.

There is a great game (even Mr. Stewart played it in his book) of making unfavourable comparisons between Canada and the rest of the world on the basis of the statistics which I wish we didn't publish. Frankly, it is our view that comparisons based on our statistics versus those of another country are pretty wide of the mark because of differences of definition, minimum size and coverage or comprehensiveness of reporting. We try to include everything - legal or illegal, tiny or large, short or long. Some other countries, for example, exclude "political" strikes; we included the famous "day of protest" - and maybe overstated the number of days lost, based upon our faith and trust in the participation figures claimed by the organizers of the affair.

It is sometimes hard to know what these statistical comparisons really mean, if anything. Strike incidence tends to fluctuate widely from year to year because of economic and other factors. Some industries seem to be more strike-prone than others; differences in industry mix between countries affect over-all strike aggregates and impair the validity of comparisons.

A study at the end of the 1950's documented a downward long-term trend in the strike incidence of many industrial countries. The strike was held to be withering away. But for many of these countries a reversal of this trend (or an extensive and persistent cyclical wave) began in the 1960's and has continued and become more marked in the 1970's. In the comparative table of man-days lost due to industrial disputes published regularly by the U.K. Department of Employment, Canada has featured high on the list in recent years, along with the U.S., India, Ireland and Italy. However, of the 18 countries in this "strike league", the annual average man-day loss due to strikes in the 1970's has increased over that for the 1960's in all countries except Norway and Switzerland. Nine of the countries have had a higher percentage rate of increase than has Canada. In the case of Australia, Belgium, Finland, West Germany, Sweden and the U.K., I am told that the increase has been much more than the Canadian rate of increase. It is apparent that there has been an international strike boom under way in which Canada has participated.

Various causes can be listed for our strike situation: There are the structural causes, the fact that our bargaining is almost totally decentralized on a plant-by-plant basis; in the early 70's the pressure of inflation exacerbated conflict; to some extent we have gotten ourselves

into a syndrome in which many union members feel that a settlement isn't a real settlement - doesn't represent the appropriate outcome of free collective bargaining - unless it has been won in a tough confrontational way on the picket line and maybe rejected once or twice in ratification votes; this kind of luxurious thinking has been helped along by the ready availability, up to two or three years ago - not now - of alternative temporary employment; one always has to include "rising expectations" in any list; we just aren't as docile as we once were; we are much more easily frustrated by authoritarianism on the job; we are perhaps less able to compromise; many employers, particularly those who have just been unionized and who face a first collective agreement, will fight too readily and too hard against their employees and their unions - and so it goes, on and on. In passing, I should point out that maybe 10 per cent of our strikes in Canada involve efforts to conclude first collective agreements (and efforts by employers in many cases to kill off the much feared union-management relationship in the bud). There are certain other types of strikes that in my opinion are quite unacceptable and unnecessary, although one understands why they happen. I refer to such illegal strike situations as those arising from jurisdictional disputes between two unions or crafts, particularly in the construction industry, or strike-blackmail

efforts by a union in the same industry to force out a non-union sub-contractor simply because union tradesmen won't work along-side non-union tradesmen.

In all of the foregoing palaver, I am not trying to make any case that stoppages and bitter conflict in industrial relations are any kind of positive good. Quite the contrary. I am offering a perspective. I think there are far too many instances in Canada where the strike weapon is utilized or has to be utilized. On the other hand, I regret the fetish we have tended to make out of the "right" to strike. Some people talk about it with a sort of relish and affection that borders on the lunatic. To me, the issue is the right of two parties to engage in effective collective bargaining. Of course, it goes without saying that in our current system and practices, and having regard to our current mind-set, collective bargaining is perceived to be potentially effective only if the right to withdraw services is very much to the fore. It is almost a heresy to think that there might be other ways of obtaining just and mutually acceptable results.

It is a pity that we are so conservative about taking chances with means of achieving an ultimate resolution of a collective bargaining dispute other than

the often self-defeating method of "hitting the bricks". Why haven't unions and employers in more cases agreed to try final offer selection, or voluntary arbitration (as in the U.S. steel industry) or med-arb (as occurred successfully in the bargaining between Vancouver grain-handlers and the terminal elevator companies a couple of years ago) or single-team bargaining.

Some might well ask: "If unions and employers won't agree to more "peaceable" and more "rational" procedures, why don't governments force them?" Actually, governments, both federal and provincial, have forced a great deal upon the parties that one or both don't like, always in the name of the public interest. There is compulsory conciliation; ad hoc back-to-work legislation coupled either with compulsory arbitration or the actual imposition of a settlement; permanent prohibitions on stoppages in certain industries or institutions or types of employment, again coupled with compulsory arbitration; cooling off periods; compulsory, supervised strike votes and the like. I haven't mentioned the whole paraphernalia of law that operates almost on a womb-to-tomb basis covering labour-management relations - from procedures for union organization and recognition, on through the prohibition against strikes and lock-outs during the life of a collective agreement, to compulsory arbitration of grievances or disputes over

the application or interpretation of agreements. Our labour-management relations are probably more highly regulated than those existing in any comparable socio-economic-political system. To go farther than legislative bodies have already gone in this country and to interfere decisively with the ultimate *modus operandi* would be construed as - and, indeed would be - a shattering blow to one of the fundamental pillars of that system. Besides, it simply wouldn't work in the absence of the tacit consent of those to whom it applied. So, the strike is going to be with us for a while. But what can be done to lessen the frequency of its use, in the absence of a resolute and general will on the part of the unions and employers to find less destructive approaches?

As I suggested earlier, the problem is exceedingly complex and can be tackled effectively only in an evolutionary way and through a variety of approaches. It is not a question of dealing with one symptom only, but rather a matter of encouraging change in attitude and in practice right across and throughout labour-management relations, from shop-floor, up through industry level to the national level. This means the gradual reformation of structures and institutions, the provision of new, needed resources, the promotion of new methods, and so on.

My "alternative" - if I may call it that - is to seek to provide for unions and their members much more opportunity to understand fully the realities and the finiteness of Canada's economic possibilities; is to seek to give them a substantial sense of responsibility for Canada's economic health, along with new opportunities to exercise that responsibility; is to seek to give labour and management support of various kinds that will lead to rational decision-making and rational decisions; is to seek to promote for employees much more opportunity to participate more meaningfully in shaping their economic destinies in their places of employment; is to seek to eliminate certain nagging injustices at the work place and in employer-employee and union-management relationships, that work both ways, and that are chronic generators (needlessly) of undue conflict; is to seek to guarantee healthier and safer working environments through the identification and vigorous elimination or control of hazardous situations.

You may well say: "What a load of rhetoric!" But before that, I should like to remind you that we in the Canada Department of Labour do in fact have a comprehensive program (our so-called 14 points) which seeks to operationalize the foregoing objectives and which we believe will, over time, contribute significantly to improvement in industrial relations in Canada.

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INFORMATION

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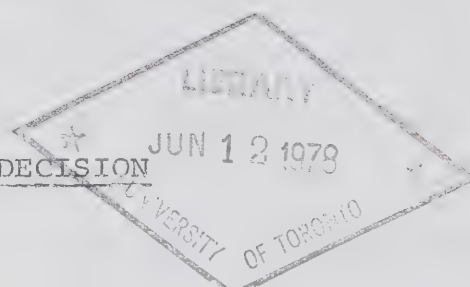
NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

THE LABOUR-MANAGEMENT DECISION



THE 107TH ANNUAL GENERAL MEETING
CANADIAN MANUFACTURERS' ASSOCIATION

ROYAL YORK HOTEL
TORONTO, ONTARIO

MONDAY, JUNE 5, 1978

10:00 A.M. EDT

I believe that the contribution I can make here today is to encourage and support the labour-management decision. I will go further than that and declare my optimism with respect to labour-management co-operation developing on a scale we have never witnessed in Canada. I am also optimistic about the progress that we can make together through consultative mechanisms, with management and labour on an equal basis with government. We are now on the threshold of a major breakthrough to consultation at the national level, on an on-going basis. I will say more about this later.

This session is discussing the economy. As manufacturers you are unhappy about our economic performance. I don't argue that point. The government is not happy about the state of the economy. In order to deal with the problems of the economy, the CMA is pointing to certain decisions that have to be made and you have scheduled two of them for discussion today -- the labour-management decision and the investment-trade decision.

The CMA has taken an approach that appeals to me in recognizing that the labour-management decision cannot be made by management alone, and it cannot ignore the legitimate interests of workers or management. It is a joint decision.

A year and a half ago I announced a 14-point program which was intended to reinforce the labour-management decision in Canada. The 14 points, you will recall, had three broad objectives. We wanted to improve the work environment. We wanted to improve the process of collective bargaining. And we wanted to improve the labour relations system. Underlying all these objectives was the need to improve the climate of labour relations so that we can strengthen Canada's competitive position.

I will be frank with you and acknowledge that many businessmen were defensive about the 14 points when I unveiled them. But for the most part this has changed: most of the businessmen I have talked to have been increasingly supportive as they learned more about what I was attempting to do. Besides, some of the 14 points were proposals for policy approaches and I am still working them out with my officials in consultation with the labour movement, the business community and the provinces. This meeting today is part of that consultation process.

Some of the 14 points required legislation and some of them are included in the legislation that was passed by Parliament in April and May.

But mostly the 14 points required the labour-management decision. They won't be anything, they won't go anywhere, unless and until they have the support of the labour movement and the major business organizations of this country. There is no effort to stuff them down anybody's throat. These initiatives depend on your acceptance, your co-operation, your support. I know I have to win that support.

There is just one criticism of the 14 points I would like to put to rest. It has been said, more than once, that the 14 points were "all for the workers, nothing for management." Certainly there are a lot of improvements there for Canadian workers. As new labour standards, the improvements that were incorporated in Bill C-8 and Bill C-35 were long over-due. I make no apology for bringing in these amendments. But additionally, the program is intended to improve the climate of labour-management relations in Canada and to lay a better foundation for improving our competitive situation. Surely these objectives are shared equally by labour and management.

One critic just the other day circulated a document to management people which declared that there appears to be an absence of any recognition by the 14 point program that

industry, both in the private and public sector, must be efficient, productive and competitive in world markets, and that Canadian workers, unions and governments must support Canadian business in achieving that objective.

This is utter nonsense.

The document declared, totally in error, that nowhere in the program is there a recognition of the need to create in Canada through the attitude of Canadian workers, unions, and governments, in addition to Canadian business, an atmosphere which is attractive to investment, both foreign and Canadian.

This gross distortion of the intent of the program does nothing to enlighten the business community. On the contrary, it does it a great disservice. If further proof is required, I refer you to the government's policy paper, The Way Ahead, one of whose themes is the need to improve labour-management relations in order to bolster our international competitive position. The 14 points are totally complementary to these objectives.

Let me summarize some of the significant amendments to the Canada Labour Code as a result of the passage of Bill C-8. The amendments:

Extend the application of all provisions of Part III of the Code, with the exception of those dealing with hours of work, to managers and professionals, thus granting them for the first time such basic protections as paid vacations and paid holidays;

Forbid the employer to lay off or dismiss an employee solely on grounds of pregnancy. Previous provisions allowed an employer to discharge a pregnant employee with less than 12 months' seniority;

Grant bereavement leave in the event of the death of a member of the immediate family of an employee;

Protect the job of a worker who is absent for up to 12 weeks or the period he/she is undergoing treatment at the expense of a workers' compensation authority on account of illness;

Require employers to pay all wages due to their employees on a regular and timely basis;

Give an employee the right of appeal in the case of unjust dismissal, except at management levels;

Increase to nine the number of general holidays by adding Boxing Day to the current list of general holidays;

Entitle an employee after six consecutive years of employment with the same employer to three weeks of vacation with pay at not less than 6 per cent of gross earnings for that year and each subsequent year;

Facilitate the introduction of the compressed work week in situations where both the employer and 80 per cent of affected employees are in favour; and

Require courts to have employers make full payment of wages and other compensation owed, in cases where a court has ruled that an employer has failed to do so.

I think you will agree that good employers will have no difficulty with these amendments.

Other amendments included in Bill C-8 provide protection for the safety and health of workers in federal industries. These amendments:

Impose an obligation on the employer to notify the nearest policy authority, and notify the employees, whenever a person threatens to endanger the health or safety of the employees;

Empower the Minister of Labour to authorize or require an employer to establish a health and safety committee. These committees would identify, and ensure the correction

of, work hazards. Committee membership would consist of employer and employee representatives, at least half of whom would represent employees; and

Give workers the right to refuse to work in situations, or to operate equipment, which constitute imminent danger to the safety or health of himself/herself or fellow employees. The exercise of this right is subject to precise procedural regulations. Workers disciplined by their employer for exercising their right to refuse such work may appeal to the Canada Labour Relations Board.

Other provisions of Bill C-8 amend the industrial relations structures governed by the Code. Amendments in this category:

Give the CLRB more discretion to order representation votes and related run-off votes;

Provide that where the CLRB is required to determine the wishes of the majority of the employees in an application for certification, that determination shall be made as of the date of application or such other date as the CLRB considers appropriate;

Restrict judicial review of CLRB rulings to Section 28(1) of the Federal Court Act;

Prohibit an employer from changing the terms of conditions of employment while an application for certification is pending and within 30 days after the trade union has been certified as bargaining agent;

Require a trade union that is bargaining agent for a group of employees to represent all members fairly and without discrimination;

Authorize the CLRB to settle the terms and conditions of the first collective agreement between the parties, on referral from the Minister;

Require trade unions to furnish members with financial statements; and

Remove administrative obstacles to certification of Councils of Trade Unions so as to facilitate the creation of wider-based bargaining units.

These are some of the provisions of Bill C-8, and most of them have now been proclaimed and are part of the Code. The remainder are to be proclaimed July 1 or September 1. While all of these provisions are mandatory, I think you will agree that the normal decent practices of good employers and good trade unions already take many of them into account.

Finally, I would like to turn to the on-going efforts which are being made to encourage greater labour-management co-operation.

You will recall that we established the Canada Labour Relations Council three years ago and it operated for about a year and a half. Several of the businessmen here today were members of the Council and there were eight or nine in total. It included eight or nine of the most experienced labour leaders in the country. Government was also part of it. Considering that it operated only a short time, it was a very successful consultative forum. We discussed a number of problem areas in labour-management relations and we reached a consensus on several of them.

We agreed, for example, that labour and management should have available to them comprehensive data on collective bargaining and the economy. There is a lot of information available, but much of it is suspect on the grounds that it has a labour bias or a management bias. Or it is not helpful because it is incomplete or untimely. We decided that we would set up a collective bargaining information centre which could collate and distribute information without at the same time establishing another federal bureaucracy. It was to be

run by a tripartite board independent of the government, and labour and management would hold the majority on the board.

We also developed a consensus around the concept of a Canadian centre for occupational health and safety. We agreed to do a survey of quality of working life experiments in Canadian industry. And we agreed to upgrade the arbitration process in federal industries.

All of this consensus-building was interrupted by the introduction of wage and price controls in October, 1975. The Canadian Labour Congress withdrew its representatives from the Council, and we suspended the operation. Now that the controls are being phased out, I think we are all getting ready to have another look at this kind of consultative mechanism, with possibly the same kind of structure and the same kinds of objectives. I anticipate we could be getting back to the table to talk about setting up some new consultative mechanisms as early as this summer.

In the meantime, we have been able to make progress in getting the legal framework for some of these structures in place.

Last month Parliament passed Bill C-35, an act to establish the Canadian Centre for Occupational Health and Safety. We have a planning secretariat at work and we are approaching the labour movement and the business community

and asking them to nominate members to the board of directors. Initially we will have eleven labour directors, eleven management directors, ten from the provinces, two from the territories, four from the federal government, and the chairman. So labour and management jointly will hold the majority and they will run it. The Centre will work closely with a university research faculty in the health sciences, and its goal will be to develop standards of the calibre which have been established over the years by the National Research Council and the Canadian Standards Association. When you consider the terrible toll of lives and limbs and the destruction of healthy bodies in some of our industries, there can be no doubt that Canada must move forward as quickly as possible with the establishment and operation of this Centre.

Legislation is now ready for the establishment of the Collective Bargaining Information Centre. Once again, such a centre would have a board consisting of a majority of labour and management representatives, with government acting in a secretarial and research capacity. I want to be ready with the legal framework as soon as labour and management both advise me it's time to move ahead.

We are proceeding with other proposals that were part of the 14 points, proposals which require considerably more consultation with labour and management. We are doing this initially through the medium of industrial commissions of inquiry.

There is the commission of inquiry into educational leave for workers. This is an emerging new program in several of the western countries. The International Labour Organization started working on the idea about 13 years ago, and passed a Convention in favour of it in 1974. Sweden has ratified the convention, West Germany has ratified it, so have France, Britain, Holland and four or five other countries. I am aware of the negative attitude of management toward the very idea of educational leave. That's one reason I am proceeding by way of a commission of inquiry. I want to find out what labour and management think of it, how the academic community might fit into it, how it would be paid for if we find it's a potentially useful program, and how educational leave could contribute to productivity. The inquiry has three commissioners, one representing labour, one representing management, and an academic as chairman. I have asked the commission to report to me by this fall.

The second commission of inquiry is looking into the troublesome area of industrial lay-offs. Part of its mandate is to recommend proposals that could be helpful in softening the blow of economic recession to both investors and workers. Once again, it is a three-party commission, with a labour official, a management person, and a consultant who is a lawyer.

The third commission of inquiry is looking into the prospects for wider-based bargaining in federal industries. The railway companies and the railway unions have engaged in collective bargaining around one table for many years. While this approach to bargaining does not preclude work stoppages, it does limit the number of sequential interruptions. The inquiry will examine the prospects of extending this approach to other federal industries including the airline industry, the grain handling industry, and ports operations.

We are also making progress with consultative mechanisms in other economic areas. I would like to mention two of them.

First, there are the 23 industry task forces. Several of you here today are members of these task forces. Reports coming back to me have expressed the appreciation of

the task force members of the urgency of the meetings that are being held, and the earnestness of the government spokesmen who have urged business and labour to present strong recommendations which will form part of the input into future policy-making.

It seems to me we are on the threshold of consultation procedures where business and labour will be able to influence policy before it is made, and where business and labour will be taken into the confidence of Ministers and officials who are developing policy recommendations.

From the government's point of view, what we are looking for in these task force meetings is a clear definition of the efforts that business and labour will make together to improve industrial co-operation and industrial capacity -- in order to get our production up and our costs down, to improve management, to improve labour skills, and identify problems such as barriers to capital investment.

The other area of consultation which is proceeding is the consultation with respect to the multilateral trade talks at Geneva. The business community is being consulted. The labour movement is being consulted. Out of the process, both labour and management have a better perception of the complexity of the problems being faced by the Canadian

negotiating team, and the Canadian negotiating team is getting the support and the advice of both parties.

We must continue in this spirit of co-operation and consultation, without confrontation. If we can work together, we can win together, for improved working conditions and improved living standards, for greater productivity and profit.

INFORMATION

ADDRESS BY

SYLVA M. GELBER

SPECIAL ADVISOR TO THE DEPUTY MINISTER

CANADA DEPARTMENT OF LABOUR

TO THE

WOMEN'S FRIENDSHIP LUNCHEON

WINDSOR/DETROIT INTERNATIONAL FREEDOM FESTIVAL

CLEARY AUDITORIUM

WINDSOR, ONTARIO

JUNE 28, 1978

UNITY IN PURPOSE, DIVERSITY IN ATTAINMENT

Sylva M. Gelber

Undoubtedly the tradition is firmly established that when Americans and Canadians join together to mark some 150 years of peace between our two countries, we sing the praises of our long "undefended frontier". It may be that in the annals of world history and particularly the history of the competitive industrial world, our mutual experience in this regard is unique. It may be true that no two sovereign independent nations share as we do such a commonality of interests, both commercial and cultural, undoubtedly due in no small part to the common cultural heritage brought to North America by the first European settlers on this continent.

To our friends and allies across the sea, we obviously appear to be so much alike that they occasionally forget that we each have a separate and very distinct identity, an identity which differs substantially one from the other. Many of our differences in national characteristics undoubtedly were present when first we parted ways over 200 years ago. The United States of America came into being as an independent nation through armed struggle and revolution; Canada came into being as an equally independent nation through a process of non-violent evolution. From colony to nation we both have come, albeit by routes which were not the same.

The differing nature of our birth pangs has been reflected in the subsequent history of our respective countries. Examine, for example, the contrasting paths we trod in the development of the west. In the United States the western saga has provided and continues to provide apparently endless material for TV dramas; tales of gunslingers and gamblers, interspersed occasionally by the lone heroic sheriff. Their counterparts in Canada were the forces of law and order personified by the North-West Mounted Police who preceded pioneer settlement in the western reaches of this northern land. It is an unhappy fact that such orderly development as ours lacks colour and romance much to the cost of Canadian TV drama! But those days are far behind us now, though the differences in our national personalities inevitably remain.

Some of these differences are, of course, readily visible, reflected as they are in our governmental structures. Canada has maintained both the monarchy and the parliamentary system inherited from Britain. Certainly the crown, which is now specifically the crown of Canada, has undergone substantial refinements since the days of George III. Not unexpectedly when the new republican government of the United States was established the

former governmental structure including the whole parliamentary system, was discarded; in so doing we Canadians are sometimes inclined to think that the founding fathers of the United States threw out the baby with the bath water!

Other differences in our governmental scheme of things concern the differing powers of our respective central governments in relation to the states or provinces. It must be recalled that the Canadian confederation in its present form came into being almost a century after the Union of the original States. Pre-confederation consultations were in fact being held during the time of the civil war in the United States, a war which in itself lent impetus to the concept of a Canadian confederation. In the eyes of the Canadian constitutional designers, it seemed the demand of individual states to secede from the American Union could only have arisen because of some constitutional flaw, a flaw which they hoped to remedy in the Canadian system. They decided that they would make provisions for a strong central Canadian government, giving to it powers which seemed to them to be too weak in the American constitutional system. It is an ironic fact of history that in the intervening years, due in the main to court decisions, the powers of the central

government in our respective countries have been reversed: the central government in the United States has been given greater power while the central government in Canada has, in many instances, had its power lessened.

But the differences between Canada and the United States are not confined to those of our governmental structures. We also differ in our concepts of the role of government particularly as it affects the social and economic well-being of the individual. Canadians have tended to provide considerably greater collective support for individuals due perhaps to differing philosophies as to the responsibility of the citizen for his own well-being. It seems to us that the absence of certain types of social programs in the United States reflects a Puritan ethic which literally translates the Old Testament directive "in the sweat of the face shalt thou eat bread", to mean that sustenance comes only from personal labour. While adhering to that concept in its general application, we seem to have been more influenced by the Old Testament admonition that I am "my brother's keeper".

While we share your philosophy concerning the value of the private enterprise system, we do not seem to share your apparent distrust of governmental intervention particularly when such intervention makes it possible to provide an acceptable social minimum for all people. We in Canada through our government make

available to our people several comprehensive social programs the like of which you have not yet found to be consistent with your concept of a free enterprise system.

Because of our relatively small population, amounting to approximately one-tenth of that of the United States, and the regional disparities between areas of this vast land, we considered it to be good social policy to devise some means of redistributing our wealth. Our purpose in the first instance was to put purchasing power into the hands of those groups of our people who but for this redistribution would have lacked the fiscal ability to purchase our goods, thus weakening our ability to provide jobs and maintain a strong economy. To this end, after World War II, Canada established a broad program of Family Allowances through which the federal government distributes to all mothers regardless of means, cash benefits on a monthly basis. Incidentally, these monies are now taxable so as to ensure a more equitable distribution.

A few years later we inaugurated another universal flat-rate cash benefits program which now forms one tier of our three-tier program for persons 65 years of age and over. Under this Old Age Security program eligible persons regardless of means, receive a flat-rate

cash benefit. Like the Family Allowances this Old Age payment is also taxable. For those with no other source of income the government adds what we call a Guaranteed Income Supplement. Thus, in effect, every old person in Canada has a modest guaranteed income provided through public funds. Over and above these two tiers of our Old Age program, there is a third tier, the Canada Pension Plan. This is a contributory, wage-related program similar to your Social Security program in the United States.

But perhaps the Canadian program which contrasts most with that in the United States, is the health services program which touches virtually every Canadian. Through government health insurance plans, residents of the provinces are entitled to essential hospital and medical services. The costs of these services, which are heavy in both of our countries, are met out of public funds to which, of course, we all contribute. The objective of our health programs is to spread the costs in such a way as to ensure that no individual person is financially burdened at the time of greatest need, that is when it is medically necessary to call on the health services. Incidentally, the per capita cost of health care in the United States is actually higher than it is in Canada in spite of the universal availability of health services here.

There are other aspects of the Canadian economy which illustrate our differing concepts of the free enterprise system in which we both believe. These include the nationalization of several major enterprises in our country, nationalization which we have deemed to be in the public interest. In the event that you should be left with the impression that such nationalization has been prompted by one single political philosophy, you should know that in some instances it has been brought about by one or by the other of our two major political parties. In some instances a nationalized industry competes with private industry in the same field as, for example, in the case of the railways, the airlines, broadcasting and even film-making. In the main, the United States has left solely to private enterprise most of those industries where Canada has occasionally found it necessary for the state to intervene.

These then are but a few examples of the manner in which our concepts of government and the role of government in a free enterprise society, differ. We also differ, however in matters relating to culture. Compare,

for example, our differing policies towards those who over the years have come to our respective shores as immigrants. The United States based itself on the theory that it would be a melting pot in which the newcomers would be assimilated into one common American mould. Canada, on the other hand, from its very inception as a confederation, recognized the dual cultural base of our country reflecting the dual English and French backgrounds of the population as it was at that time. In fact, certain guarantees were written into the British statute which still comprises our only written constitution (The British North America Act), to ensure the protection of certain rights with regard to the French language; and to religious education provided through separate Catholic schools in most of which the French language predominated. Today, of course, these few guaranteed rights are seen to be inadequate in the light of our history and of contemporary concepts of cultural self-determination. Canada today is as you must know, going through a period of soul-searching in this regard although, insofar as language is concerned, the bilingual foundation of our country is now firmly established in law.

This concept insofar as cultural factors are concerned, has in recent years been considerably expanded. The Second World War greatly sharpened our

sensitivity to the rights of minorities and to the value of cultural self-determination. It has been partly due to this sensitivity that the concept of a multi-cultural nation has not only been greatly encouraged philosophically but is supported materially through a Multi-cultural Program inaugurated by the federal government which also provides grants-in-aid to ethnic groups across the country. It is with considerable interest that Canadians have noted similar developments in the United States particularly in the establishment of bilingual programs in some of your schools designed to meet the needs of your growing Spanish-speaking population. It would seem that in this regard the American melting pot concept is gradually giving way to that of the Canadian mosaic. What we may be seeing is a narrowing of the differences in our philosophy in this regard.

It is a moot question as to whether the history of Canada would have been different had we initially embraced the melting pot philosophy of the United States. The virtual disappearance of the French-speaking communities which once dominated certain parts of the United States such as the great Mississippi basin, would undoubtedly have been duplicated in this country. Such an eventuality could not have been tolerated in a Canada where the first European settlers were not predominantly English-speaking as in the United States, but rather French.

From even this very short look at the differences in institutions and in the outlook between the United States and Canada, it would seem clear that we have followed differing routes albeit in pursuit of similar goals. The primary goal which is common to both of us is, of course, the maintenance of a free and democratic society. For you in the United States, these freedoms and liberties are entrenched in the constitution upon which your democratic form of government is based. We in Canada have relied over the years on the concepts of freedom which have been built up in the common law.

In recent years when human rights have emerged as crucial to contemporary democracy, we have endeavoured to supplement existing measures for the protection of civil liberties by embodying guarantees in legislation, this in spite of constitutional problems flowing from federal/provincial division of jurisdictions. Unfortunately, neither federal nor provincial law is capable of establishing the firm barricade against the erosion of rights that a constitution is capable of providing. Hopefully, Canada does not stand far removed from a new constitution in which are entrenched those principles of individual freedom and liberty in which we believe.

Let there be no illusion, however, as to the efficacy of constitutional guarantees in the absence of the will of the people to see them enforced. Both you in the United States and we in Canada do not have to search too diligently in the recent histories of our countries to find instances of assault on the rights of individuals. We both have even been faced with revelations of law enforcement agencies themselves yielding to the temptation of wielding power beyond their legal rights. Perhaps Canadians are inclined to be somewhat more apathetic than Americans when such occurrences are exposed to public view. But in the long run we are not less conscious of the dangers such events pose. The old cliché of eternal vigilance being an essential ingredient to the maintenance of a free society, is as apt today as ever it was in other times. The heartening factor in both our countries is that wrongs carried out in the name of the state, have eventually been exposed to public view; in that alone there is a measure of safety.

Together our countries also stand in the international world where individual freedom and liberty are so frequently seen to be secondary to the overpowering demands of authoritarian states.

In this international world today, the number of democracies is small. Among them Canada and the United States have much in common; we both have been heirs to the British tradition of individual rights which dates back to the elimination of the Star Chamber and the adoption of the principle of Habeas Corpus. The rights set out so eloquently in the American Declaration of Independence and subsequently reiterated in the French Assembly's Declaration of the Rights of Man and of the Citizen, are the same rights which we in Canada consider to be the very foundation of our own national structure. Although similar rights have been the subject of international commitments set out in United Nations Covenants, they do not have the same meaning in the international forum that they have for you in the United States and for us in Canada. In our efforts to safeguard these principles, we are united.

United we stand in the belief that the dignity of the individual must be protected against the indignities which an authoritarian state has the power to impose. Individual happiness entails individual fulfilment and within the confines of democratically accepted guidelines set out in law promulgated by representative elected bodies, the

individual American and the individual Canadian has been provided with the environment for such fulfilment. We both recognize our shortcomings in the achievement of our respective goals. We know that we have not devised Utopian systems. But we both know what Winston Churchill meant when he said in the British House of Commons some three decades ago that:

"... democracy is the worst form of government--except all those other forms that have been tried from time to time."

We are united in our determination to preserve our democratic forms of government and thereby to provide for our peoples a shield against tyranny.

INFORMATION

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE 38TH REGULAR CONVENTION OF

THE BROTHERHOOD OF MAINTENANCE

OF WAY EMPLOYEES

(AFL-CIO/CLC)

HOLLYWOOD, FLORIDA

MONDAY, JULY 10, 1978

1:30 P.M.



President Crotty, I would like to join the delegates to this Convention in paying tribute to a fellow Canadian, vice president Bert Hopper. Bert Hopper has distinguished himself as a trade unionist in the Canadian section of the Brotherhood. He has also done so as a member of the negotiating committee of the non-ops organization of the Canadian railway unions and more recently of the Associated Railway Unions, and as a member of municipal government in Manitoba. I am pleased to add my congratulations to Bert for his outstanding contribution to the labour movement and to local government. One of Bert's most durable accomplishments is the apprenticeship training program which he was successful in introducing into the operations of both the Canadian National Railways and the Canadian Pacific Railway.

Today I would like to speak to you about the contribution the railways and the railway unions are making to the welfare of Canada, and the programs we have in place for ensuring that the railways and railway workers will continue to provide the nation-building services which are so essential to Canada, as indeed they

are to the United States.

First, I will speak to you about the commitment which the Canadian government is currently honouring to the railway industry and the railway employees in Canada, and what this commitment means for job security of railway workers.

Second, the commitment which the government has undertaken to involve the trade unions and their members in the deliberation of problems affecting the future of the railway industry, throughout Canada.

As in the United States, Canada's growth and prosperity have been directly linked to the development and health of its railways, and the skills and dedication of railway workers. We are all aware of the value of the railways, but over a period of years some aspects of the railway system fell into disrepair. This was the situation in the recent past, but we are now successfully turning it around. We are doing the things that need to be

done to rejuvenate the system. We have in place programs which will add to the efficiency and productivity of our freight operations and the efficiency and public acceptance of our railway passenger services. My address is of particular interest to the Canadian delegates here, but I am sure the American delegates will be able to relate the progress we are trying to make together to your own situation.

Of immediate concern to Maintenance of Way railway workers is our Prairie branch line rehabilitation program. Unfortunately, the program has been misunderstood in some quarters, and I would like to set the record straight on the tremendous contribution this program is making, and will continue to make over the next seven or eight years to the job security of your members. Some railway union people have been fearful that the branch line program would have the opposite effect -- that it would move ahead too quickly and take jobs away from your members. This is not so. I wish the government were in a position to announce

rehabilitation programs in other sections of the railway system of Canada, in view of the benefits which could be derived for the transportation facilities of the country, for the users of railways services and for railway workers.

I think we can all agree that the Prairie branch line rehabilitation program was long overdue. The branch railway lines which serve to collect the grain from the country elevators had fallen into a rapidly deteriorating condition. We were hard-pressed to keep up with the demands that were being made by the grain trade, and with prospects of even greater grain exports over the next few years, our branch line system was sadly lacking and going down hill at a distressing rate.

I want to assure you that the best interests of Maintenance of Way members have been perserved along with our concern for the interests of prairie farmers and other railway users. We started a year ago with an interim program. The government approved a \$100 million two-year program to rehabilitate several of the branch

lines so that the system could continue operating until a long-term solution could be developed.

The next step was to assist the railways in pursuing an orderly program of improvements and upgrading. We entered into an agreement with Canadian National and Canadian Pacific whereby the railways could acquire on behalf of the Crown \$47 million worth of capital equipment necessary to carry out the construction work. The work is to be restricted to lines dependent on the grain trade in the permanent rail network, plus specified connecting lines, plus the Herchmer subdivision of the Hudson Bay line.

The construction will consist of bridge, culvert and drainage improvements, bank widening, tie replacement, ballasting, and rail relay with 80 to 85 pound rails where necessary. The overall objective is to enable the improved lines to carry 220,000 pound loaded cars at a speed of 30 miles an hour in year round operations.

The agreement with the railways covers expenditures of \$30 million in the last fiscal year and \$70 million in the current fiscal year. All the equipment has been ordered and deliveries have been almost completed. More than 400 miles of work including bank widening, drainage, ties and ballast, siding extensions and perma-frost research was completed last year, and the program calls for nearly 2000 miles of work this year.

The program is to continue in an orderly way and will provide the underpinning for job security well into the 1980s. Earlier this year, the government approved in principle the continuation of the program at a rate of about \$75 million a year until the entire prairie branch line network has been rehabilitated. We expect the program will take eight years to complete.

I would like to say a few words about VIA Rail. The American delegates are proud of your AMTRACK, and I am confident Canadians are going to be equally proud of our VIA Rail.

In the post-world War II decades, passenger train service in Canada almost went the way of the dodo bird. The railways were losing money on passenger service and they weren't running many trains. The public was looking to other modes of transportation. In the meantime, the government was spending increasing amounts of money in passenger subsidies. We decided to take a good look at the whole situation. My colleague, the Minister of Transport, and his officials completed a policy review three years ago. They recommended we should cut back on some existing services and revitalize the services we decided should be kept through a single marketing approach, the purchase of new trains and construction of improved infrastructure.

That all made a lot of sense, except that we weren't successful in persuading the CN and the CP to co-operate on a single marketing structure. So the government took the bull by the horns and created a Crown

corporation which we called VIA Rail Canada. Independent of CN and CP, VIA Rail would manage and operate passenger services and make the necessary investments in new trains and infrastructure.

The VIA board of directors includes representatives of CN, CP, the government and business and, I am happy to add, a representative of the labour movement. Actual train operations and equipment maintenance will be contracted by VIA with CN and CP, and these services will be performed by either CN or CP employees. In the near future, VIA will perform on-board catering and station services with its own employees who, for the most part, will transfer from their present jobs with CN and CP.

While all of these plans are moving forward, the government is negotiating contracts with VIA for the operation and management of railway passenger services on a route-by-route basis. The main objective will be to provide efficient and attractive services. While revenues and costs are expected to improve over a period of months, we recognize the services are unlikely to be

profitable for a while. We are prepared to contribute to the capital requirements and seek a satisfactory basis for covering initial operating losses provided effective management is being demonstrated.

VIA will be responsible for operating its services in an economic fashion. This will include eliminating duplication where it exists and increasing passenger travel where there is potential. For example, VIA proposes, subject to approval of the Canadian Transport Commission, to operate trains in the Quebec-Montreal-Ottawa sector from the CP station in Quebec City, using the CP line to Montreal where trains will be switched to CN tracks through Mount Royal Tunnel to CN's Central Station. Operations from Montreal to Ottawa will continue on CN tracks to Vaudreuil and then on CP tracks to Ottawa.

As part of our rejuvenation of the passenger service, we are assisting in the development of an entirely new generation of passenger train. Last January the federal government and VIA Rail signed contracts with

Bombardier-MLW Limited for the purchase of 10 train sets comprised of 22 locomotives and 50 coaches at a cost of \$91 million. This equipment, which is of the light, rapid and comfortable variety, will become available in two years and will be placed in regular passenger services across Canada. In addition, the government is committed to spending another \$37 million over the next three years for terminal alterations, infrastructure improvements and station modifications.

I should add a word about our commitment to improving the movement of grain from the Prairies by rail to the ports of Canada. As I mentioned earlier, the long-term outlook is highly optimistic for increased exports of grain to world markets. We have been preparing for this expanding market by upgrading our fleet of hopper cars. Since 1972 the federal government has purchased 8,000 aluminum body hopper cars for the grain service at a total cost of \$250 million. I anticipate that this is only the beginning: in the years to come we will need to order more hopper cars and we will need to

rehabilitate thousands of box cars which still have some life in them.

The rehabilitation of passenger services and the building up of our fleet of hopper cars may not all be of direct concern to Maintenance of Way members. But I have mentioned them in some detail to illustrate the government's commitment to this important industry. I believe that this rejuvenation of railway services, with the support of Canadian taxpayers, will go a long way toward restoring the pride of membership which all of you have associated with the railway unions in Canada, just as has been the case in the United States.

I would like to turn now to some of the measures we are taking to involve railway workers and their unions in the deliberation of problems which will affect their future. I will mention some of them briefly.

First, there is the Vancouver Task Force. This is a task force set up by my colleague, the Minister of Transport, to examine problems relating to the flow of railway traffic in the Vancouver area. The task force is modelled on the St. Louis Task Force, which involves the close co-operation of government, railway management, and union representatives who are seeking ways

to overcome the bottlenecks in the flow of railway traffic through St. Louis, Missouri. We held organizational meetings last winter, attended by each of the five railways in the Vancouver area, several railway unions, a Transport Canada official and a member of the Western Transportation Advisory Council. The task force was established with WESTAC as chairman. The federal government is funding the task force program to a maximum of 50 per cent of the annual expense with a ceiling of \$100,000 in any one year and not exceeding \$300,000 over a three-year period. The railway companies and the railway unions are sharing the balance of the cost, although the labour unions are being assisted with a grant of \$25,000 from my own department.

The task force has set for itself a three-phase program, including the design of experiments, doing the experiments and documenting the results, and finally moving into permanent operational practices. Like the St. Louis experiment, the Vancouver Task Force is a positive demonstration of railway management, labour and government working together toward a common goal; namely, improving railway operations and services.

Second, there is the Railway Passenger Services Adjustment Assistance program. This is the program which we have undertaken in co-operation with the railway companies and the railway unions for dealing with the impact which the changes in passenger services from CN and CP to VIA Rail could have on railway employees. We promulgated regulations last year which provide, among other things, for the negotiation of a Special Agreement between the railway unions and management. A major consideration is to provide continuing employment. Another important consideration is to allow employees to remain in their present location where possible. Other provisions include retraining, relocation assistance, maintenance of earnings, a separation plan for senior employees, and layoff and ~~severance~~ payments.

As you can understand, it has not been easy to complete a Special Agreement and I appointed an arbitrator to resolve all the outstanding issues. I am happy to report that the parties invited me to celebrate with them the completion of the Special Agreement in Montreal last Friday.

In the meantime, the unions and the railways were successful in reaching transfer agreements which provide procedures for the transfer of on-board catering and station service employees from CN and CP to VIA Rail, and for inter-railway transfers of CN and CP shop employees when additional positions are created on one railway resulting from the transfer of passenger service.

And third, there is the Sullivan Commission of Inquiry into the transportation services of Newfoundland and Labrador. This is a joint federal-provincial commission headed by Dr. Arthur M. Sullivan which has examined all aspects of transportation in the province. The report is to be published later this month, and I expect that it will give major attention to labour questions relating to the railways.

Finally, I would like to conclude with a word of gratitude to the Brotherhood of Maintenance of Way Employees as an integral part of the Associated Railway Unions in Canada.

While I have been Minister of Labour, and that has been six years, I have been impressed by the militant and civilized behaviour of the railway unions in contract negotiations with the railway companies. In particular, I have been impressed by the maturity of your collective bargaining arrangements, which provide for 17 unions to sit around one bargaining table with 11 railway companies. There have been occasional strains and temporary ruptures, but you have always come back to common agreements when your differences were ironed out. And by and large, you have been supported at ratification time by the majority of your memberships.

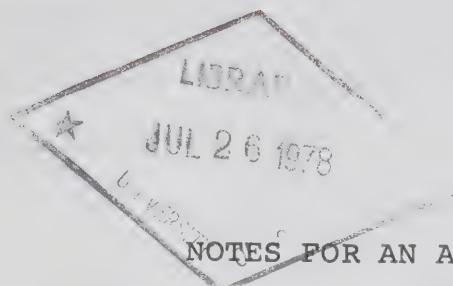
I have been so impressed by the success of your bargaining structures and procedures that I want to find out whether the same process would be helpful in other federal industries. I have appointed an Industrial Commission of Inquiry to look into the whole question of wider-based bargaining. I want to find out the possible implications of wider-based bargaining for the airline industry and the grain handling industry.

I have appointed two other commissions of inquiry. One of them is the inquiry into lay-offs. We want to find out if there are ways to soften the impact of lay-offs on employees to the greatest extent possible. The other is the inquiry into educational leave for workers. This is a program which has received a considerable degree of support in western Europe and in other parts of the world. We want to find out the degree of support for educational leave among employers and workers, and to what extent it would be helpful in giving workers a leg up in their choice of jobs. I invite the Brotherhood to participate fully in these inquiries and give us the benefit of your extensive experience in wider-based bargaining, in job adjustment programs, and in retraining.

I wish you all a productive convention.

INFORMATION

CHECK AGAINST DELIVERY



BY

THE MINISTER OF LABOUR

THE HONOURABLE JOHN MUNRO, P.C., M.P.

TO THE FIRST CANADIAN DELEGATED CONVENTION

OF THE BUILDING AND CONSTRUCTION TRADES DEPARTMENT,

AFL-CIO,

HOTEL TORONTO,

TORONTO, ONTARIO

JULY 18, 1978

9:30 A.M.

First let me express my appreciation at being invited to speak to this founding convention -- the first Canadian delegated convention of the Building and Construction Trades Department.

In his invitation to me, Jim McCambly suggested that you would welcome my views on "any matter or legislative issue affecting construction or the building trades workers." I am glad of this opportunity, though I should make it clear that by and large the building and construction trades come under provincial jurisdiction. Nevertheless your industry, by virtue of its major importance to the national economy and employment, has always been of considerable interest to the federal government.

I congratulate the officers and delegates on the decision you have taken to hold this convention. You have demonstrated unity of purpose; all the trades are represented here. All the provinces and the territories are represented. You are maintaining the integrity of your organizations and you are adding a new dimension -- a Canadian convention to deal with Canadian issues.

In fact, this convention coincides with the decision of the federal government to renew the Canadian federation. Like the Building and Construction Trades Council, the government has recognized the need for a affirmation of the Canadian identity. We have recognized the need for a new definition of the principles which underlie the Canadian federation and a new approach to co-operation among our constituent parts.

In our public statement on the proposals for the renewal of the Canadian federation, we said that Canadians "share a history, a vast territory, a North American spirit, a sense of national solidarity, and the same democratic values." I believe that the building trades identify easily and completely with these values.

We went on to say that other values should be brought into the consensus -- linguistic equality, cultural diversity, the dignity of native peoples, and the self-government of the regions.

Once again, these are values which I believe are found in your own organization. You recognize the two official languages. I am glad to take note of the fact that this convention is being provided with simultaneous translation in both languages. Your members include Canadians and landed immigrants of all races and creeds and your members enjoy equal rights under the constitutions of your affiliated trade unions. You recognize the right of native people to equal opportunity. Your local and provincial councils support the principle of regional development.

We said in our statement that friendship, solidarity and mutual respect among groups that wish to maintain their character are essential elements of the Canadian identity. You can accept this statement both as Canadians and as trade unionists. We respect our differences and we recognize that the principle of unity in no way implies uniformity.

When you look at the principles that are guiding the government in renewing the basic foundation of the Canadian federation, you will find parallel considerations that you must take into account in renewing your own structures in the building trades department.

We insist that the renewal of the Canadian federation must be founded on these basic principles:

It must confirm the pre-eminence of citizens over institutions. We must guarantee the rights and freedoms of individual Canadians and ensure that these rights and freedoms are inalienable.

It must respect the legitimate rights of native peoples. We must respect the rightful place of native peoples in the Canadian mosaic as the first inhabitants of Canada, and give them the means of enjoying full equality of opportunity.

It must guarantee the linguistic equality of the two founding nations. The present federation is based on the linguistic equality of the English-speaking and the French-speaking communities, and the new federation we want to build must be based on the same guarantee. We must strengthen our institutions, and create new ones where necessary, to help each linguistic group to prosper.

The renewal of the federation must reinforce the respect for cultural diversity. We must continue to recognize the right of every citizen, regardless of ethnic origin, to

equal opportunity in Canada. Every cultural community should be able to rely on governments for support in preserving its own heritage and in appreciating the heritage of other groups.

It must support the regions of Canada. The new federation must have a central government which is strong in order to protect the economy, but we must avoid excessive centralization.

It must foster the economic integration of the regions of Canada. We must make it possible for all Canadians to share the benefits of Canada more equally.

It must establish the interdependence of federal and provincial governments. We must clarify the authority and role of each level of government, and ensure that the federal Parliament possesses real powers that apply to all parts of Canada, and that provincial legislatures have real powers within their territories.

And it must promote national solidarity and national unity. The new federation must strengthen solidarity between citizens and regions, and it must produce a Canada which all Canadians can support with loyalty and enthusiasm.

We have made remarkable progress with the constitution that was established 111 years ago. It has served us well, but now we need to look to a constitution that will express the new demands of Canadian unity. The new constitution must preserve Canada as a federation, and it must include a charter of basic rights and freedoms that will apply equally to both levels of government.

The time is right for finding that balance that Canadians want in order to enjoy full memberships in this great country, while preserving the values we cherish in our particular communities. We have set the target for completing matters to enable Parliament to legislate on its own authority as July 1 next year. We have set the target for all the other matters where the co-operation of federal and provincial governments are required before July 1, 1981.

Just recently my colleague André Ouellet, the Minister of State for Urban Affairs, announced some federal initiatives which provide a new direction in housing policy and are a response to some of our most difficult social and economic challenges.

These initiatives are the result of a great deal of study and have been discussed in detail with the provincial governments. I'd like to give you a brief summary of these new directions, because I believe them to be important not only in the more efficient and economical provision of housing, but also in helping to maintain an adequate level of employment in construction and related fields.

I might mention, incidentally, that some specific points in the federal proposals are still under active discussion with the provinces, but the essential approaches have been agreed upon.

The new initiatives have been designed to meet three specific challenges. The first is to increase the production of social housing for people in the greatest need. The second is to eliminate the duplication and overlapping of responsibilities that exists between the federal and

provincial governments, particularly in the management of shared-cost programs. The third challenge is simply to maintain an adequate level of housing production in Canada, not only to meet our shelter needs but also to sustain the level of employment.

I would like to emphasize here that the federal response to these challenges must be undertaken within current economic restraints, which suggests that we must make new efforts to increase private financial participation in housing and community development.

With regard to social housing, our objective is 30,000 units a year of low-income accommodation -- an increase of about 50 per cent over the current level.

We are inviting sponsors of housing for low-income people -- provinces, municipalities or private organizations -- to seek their financing on the private market. The federal government, through Central Mortgage and Housing Corporation, will then provide contributions to bring the effective interest rate on these loans down to as low as one per cent on a 90 per cent loan with a 35-year amortization. CMHC will, of course, continue to provide capital for those private non-profit and co-operative organizations that cannot secure private funds.

Under the new approach, sponsors can, if it is more suitable, buy or rehabilitate existing housing rather than build special housing projects.

Up to now, sponsors of private non-profit housing have been able to obtain up to \$10,000 in "start-up" funds, which assist in putting together a fully documented application for funding from CMHC. Now, up to \$75,000 is available in start-up funds, in recognition of the need for much more comprehensive preliminary study and planning of many projects before a loan commitment can be made.

The federal government is also advocating much wider use of the Rent Supplement Program, where the federal and provincial governments share the cost of making a proportion of units available in conventional housing projects for people with low incomes.

For middle-income people, the federal government has introduced a new technique to help give people access to home ownership. It is a new NHA-insured mortgage formula called the Graduated Payment Mortgage, or simply GPM.

This technique, like the payment-reduction loan provided through the Assisted Home Ownership Program, enables buyers to make smaller monthly payments in the early years of a mortgage, with payments increasing gradually over time.

GPM's will be available from private lending institutions that are authorized to make insured loans under the National Housing Act. This formula will apply to existing as well as new housing, as long as the house price is within the maximum allowed in each region.

CMHC's Residential Rehabilitation Assistance Program, which has been such a popular initiative during the past few years, is now much more widely available, and is no longer restricted to specially designated areas.

Finally, the federal government is introducing a new, global approach to the provision of funds for community services. For a number of years the federal government has been providing assistance to provinces and municipalities for neighborhood improvement, for the treatment of water and sewage, and to encourage the construction of moderately priced, medium-density housing. This assistance will now be expanded and consolidated in a general Community Services Grant program which will give provinces and municipalities more flexibility in the way federal funds are applied and will ensure that federal assistance is more responsive to local needs and priorities. The Community Services Grant program will have an annual funding level of about \$250 million -- about \$50 million more than is now provided for community services

under the NHA. They will be used not only for neighborhood improvement and water and sewage treatment but for social, cultural and recreational facilities such as day-care centres, community centres, libraries, neighborhood ice rinks and parks. The funds will be allocated to each province, and by the provinces to the municipalities, according to an agreed formula which will ensure that they are applied effectively and equitably.

I believe these new federal initiatives will provide an effective response to some of the current challenges in the fields of housing and community planning.

The building trades have a major stake in this process of renewal, not only as citizens but as workers. As you are well aware, the construction sector is of major importance to the economy in terms of both output and employment. Last year the value of work performed by approximately 100,000 construction firms was \$35.8 billion. Construction accounts for between 6 and 7 per cent of the gross national product, and provides jobs for some 700,000 workers.

I am aware of your concern about employment prospects and about the unacceptably high levels of unemployment. My colleague, the Minister of Finance, has set his sights on a growth rate of 5 per cent for this year. This compares with

real growth among the OECD countries last year of an average of 3.5 per cent. Economic growth in almost all of the industrial countries slowed down in the second half of 1976 and continued at depressed levels through last year. You are aware of the recurring efforts to reach an international agreement that would result in the stimulation of some of the major economies, and result in a favourable fall-out for the other industrial countries. We have been creating jobs at a faster rate than any of the industrial countries, but we have also been experiencing unusually large numbers of new workers coming into the labour force.

The construction industry is particularly sensitive to changing patterns of investment in housing and investment in new plant and equipment. You are all aware of the dropping off in housing starts last year, and the impact this had on jobs in the first three quarters. Then there was the sharp rise in demand for multiple units in the last quarter and an equally sharp increase in employment. The combination of these two developments resulted in a reduction of employment in construction for the year by only 1,000 jobs.

Our record in business investment last year was level in volume terms compared with 1976, but it was about 14 per cent above the level attained in 1973. Comparable investment in the United States last year was 3 per cent below the 1973 level. Business investment (not including housing) as a proportion of gross national expenditures has averaged about 14 per cent in recent years. This compares with about 9.5 per cent in the U.S.

There are some other good signals. The level of industrial capacity utilization in Canada compares favourably with that of our major trading partners. Our economic performance has been better than that of most of the industrialized countries. Our competitive position has improved, in part with the assistance of exchange rate movements. And investor confidence in Canada is at a high level. When new investment decisions are being made, we can count on being one of the more favoured countries.

These are some of the positive features of our situation, but we do have some other problems.

Canadian industry is faced with a growing challenge from foreign competition. This threatens our industry in domestic as well as foreign markets, and it threatens jobs. In response to the challenge, the government has announced a number of measures to help make our industries more competitive. The results of these efforts will have a direct impact on job security and job prospects in the building trades.

These programs include a new package of incentives for increased Research and Development in Canadian industry, and new incentives for the small business sector. At least 80 per cent of the employment in your industry, incidentally, is with small employers.

We are making research and development a national priority and backing it with substantial new financial support and tax incentives. Most of the industrialized countries put a lot more of their resources into R&D than we do. Gross expenditures on R&D as a percentage of gross domestic product in Canada are lower than any of the OECD countries. West Germany and Japan have recorded substantial growth in this field.

Almost half of the funds for research and development in Canada are provided by the federal and provincial governments. In other countries, the business sector is the source of 40 to 50 per cent of all R&D.

In Canada there is about an equal number of scientists and engineers engaged in R&D in the business sector and in the combined government-university sector. In the United States, Japan, West Germany and Sweden, on the other hand, there are about five scientists and engineers in the business sector to every one in government and university.

We have benefitted from an inflow of technology from other countries, but we've had to pay a price. The imported technology does not always relate to an exportable product. It leaves our industries vulnerable to foreign decision-making. And it limits our ability to provide job opportunities for Canadian scientists and technicians.

We're now starting to turn this situation around. Government expenditures on industrial R&D will be more than \$275 million in 1978-79 as part of the new R&D package announced by my colleague Judd Buchanan, Minister for Science and Technology. In the 1977-78 budget, an investment tax credit of 5 to 10 per cent was introduced for R&D

expenditures made in the three years ending July, 1980. In the April budget, an additional 50 per cent write-off of R&D expenditures over those of the preceding three years was offered, to be in effect for 10 years. And there are other incentives offered through defence industry programs, Supply and Services contracting, and National Research Council operations.

The aim of these diverse programs and incentives is to reach a target of 1.5 per cent of gross domestic product for R&D expenditures in Canada by 1983 (that's an increase of 50 per cent in 5 years); to use federal procurement to stimulate industrial research; to encourage greater private sector spending on R&D; and to create more jobs in science and technology.

The new measures to encourage the small business sector are complementary to those for R&D. These new measures, which were recently announced by my colleague Tony Abbott, Minister for Small Business, are in addition to existing programs such as the Small Business Loans Act, the Federal Business Development Bank, and the Enterprise Development Program.

Under the new programs, small business will get additional relief from federal sales tax; we will permit the

tax-free transfer of small business holdings from a parent to a child or grandchild; we will allow much broader deductions for capital losses; we want to bring in improved small business financing; we are committed to reducing the paper burden on business; and we have committed \$5.4 million toward creating 800 permanent jobs by paying 50 per cent of the initial wages of university and community college graduates hired by a small business

Let me conclude with a few words on labour relations.

The problems surrounding collective bargaining in your industry are a prime concern of all of us. Frankly I am heartened at the strong commitment by the parties to continue the dialogue in pursuit of an improved bargaining system in the construction industry. I am particularly pleased to know of your conviction that craft-wide bargaining is a desirable goal. I am aware that in Ontario building trades bargain together on a trade basis. As an observer from the federal government, I am pleased to see this move toward more structured, rational bargaining as a means for bringing greater stability to the industry, as well as securing some of your objectives in the bargaining process.

The getting together of labour and management in the sectoral studies that are being sponsored by the Department

of Industry, Trade and Commerce is also heartening, and I look forward to the results of these meetings. Certainly I and my Department will do all we can to help further the goal of rationalization.

As Canada makes its exit from the wage and price restraints program this emphasis on rationalization applies to all economic sectors. In essence, the emphasis must be on rational bargaining, rational production processes, rational labour-management relations. From the government standpoint, Canadians have to bring about price stability; a more equitable distribution of income; more employment; and at the same time we have to protect the social justice inherent in our collective bargaining and industrial relations system.

I have responded to this challenge for action with the 14-point program. This program has three basic aims: to improve the work environment; to improve the collective bargaining process; and to improve the structure and process of labour-management relations. Collectively the programs in this 14-point plan inject more rationality and a greater respect for workers and workers' rights into the system.

Included among these initiatives was a major revision of the Canada Labour Code, which applies to the 560,000

employees who are within the federal jurisdiction. The amendments affect all parts of the Code -- labour standards, safety of employees and industrial relations.

New parts of the Code that took effect on June 1 include provisions covering areas such as hours of work, paid vacations and the compressed workweek. There is an increase in the number of statutory holidays from eight to nine. There are new bereavement leave provisions. Pregnancy as a cause for dismissal has been eliminated. Employers are obliged to notify the nearest police authority whenever a person threatens to endanger the safety or health of employees.

The amendments also:

- . Require unions to furnish their members with financial statements.

- . Give the Canada Labour Relations Board more discretion to order representation votes and related run-off votes.

- . Remove administrative obstacles to certification of Councils of Trade Unions so as to facilitate the creation of broader-based bargaining units.

- . Require that unions fairly represent members of the bargaining unit.

. Ensure fair and objective referral procedures by union hiring halls.

. Authorize the CLRB to establish the terms of a first agreement, on referral from the Minister of Labour.

A new provision dealing with the appointment of arbitrators came into effect on July 1; and taking effect September 1, are provisions dealing with sick leave; regular payment of wages; protection for workers against unjust dismissal; the right of workers to refuse to work under conditions of imminent danger; and the creation of health and safety committees.

The building trades are also participants in the new labour education program supported by Labour Canada. Your participation is through the Canadian Labour Congress. Under this program, funds totalling a little more than \$2½ million a year on a per capita basis are being provided to the four central union organizations in Canada: the CLC, the Confederation of National Trade Unions, the Canadian Conference of Teamsters and La Centrale des Syndicats Démocratiques. An additional \$515,000 is being made available to independent unions, academic institutions and individuals.

This labour education program is designed to enable present and potential union officers, and members of labour organizations, to gain a comprehensive knowledge of the labour movement and its relationship to Canada's economic, political and social framework; to understand the crucial role of labour relations and collective bargaining.

I think it's fairly obvious that the government is committed to improving the whole labour-management relationship, and the environment surrounding it. We want to expand consultations with labour and management. We want to improve our communications so that we are attuned to the changes taking place. Your own organization has been outstanding in its commitment to consult.

These are some of the initiatives and programs I wanted to talk to you about. I invite you to participate fully in the debate on the constitutional proposals and give me the benefit of your advice.

I wish you a successful convention.

INFORMATION

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NOTES FOR AN ADDRESS

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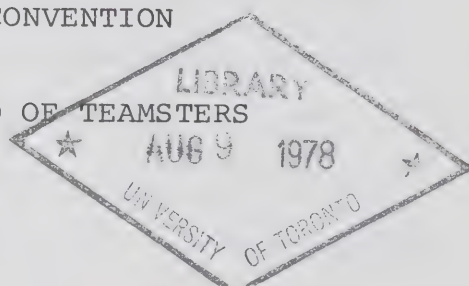
THE HONOURABLE JOHN MUNRO, P.C., M.P.

MINISTER OF LABOUR

TO THE

FIRST BIENNIAL CANADIAN CONVENTION

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS



HILTON HOTEL

QUEBEC CITY, QUEBEC

JULY 31, 1978

10:30 A.M.

Senator Lawson, first let me express my appreciation at being invited to speak to this first biennial Canadian convention of the Teamsters Union. I congratulate your officers and members on your decision two years ago to establish a Canadian conference. You have demonstrated unity of purpose. All the provinces and the territories where you are organized are represented here. You are maintaining the integrity of your organization in Canada and in North America and you are adding a new dimension -- a Canadian convention to deal with Canadian issues.

This convention coincides with the decision of the federal government to renew the Canadian federation. Like the Teamsters Union, the government has recognized the need for a new affirmation of the Canadian identity. We have recognized the need for a new definition of the principles which underlie the Canadian federation and a new approach to co-operation among our constituent parts.

In our public statement on the proposals for the renewal of the Canadian federation, we said that Canadians "share a history, a vast territory, and the same democratic values." I believe that the Teamsters Union identifies easily and completely with these values.

We went on to say that other values should be brought into the consensus -- linguistic equality, cultural diversity, the dignity of native peoples, and the self-government of the regions.

Once again, these are values which I believe are found in your own organization. You recognize the two official languages. I am glad to take note of the fact that this convention is being provided with simultaneous translation in both languages. Your members include Canadians and landed immigrants of all races and creeds and your members enjoy equal rights under your union constitution. You recognize the right of native people to equal opportunity. Your local councils and provincial conferences support the principle of regional development.

We said in our statement that friendship, solidarity and mutual respect among groups that wish to maintain their character are essential elements of the Canadian identity. You can accept this statement both as Canadians and as trade unionists. We respect our differences and we recognize that the principle of unity in no way implies uniformity.

When you look at the principles that are guiding the government in renewing the basic foundation of the Canadian federation, you will find parallel considerations that you have had to take into account in building your own structures.

We insist that the renewal of the Canadian federation must be founded on these basic principles:

First, it must confirm the pre-eminence of citizens over institutions. We must guarantee the rights and freedoms of individual Canadians and ensure that these rights and freedoms are inalienable. I think you will agree with me that Canadians enjoy greater freedoms than possibly any other nation. We cannot take those freedoms for granted.

Second, it must respect the legitimate rights of native peoples. We must respect the rightful place of native peoples in the Canadian mosaic as the first inhabitants of Canada, and give them the means of enjoying full equality of opportunity.

Third, it must guarantee the linguistic equality of the two founding nations. The present federation is based on the linguistic equality of the English-speaking and the French-speaking communities, and the new federation we want to build must be based on the same guarantee. We must strengthen our institutions, and create new ones where necessary, to help each linguistic group to prosper.

Fourth, the renewal of the federation must reinforce the respect for cultural diversity. We must continue to recognize the right of every citizen, regardless of ethnic origin,

to equal opportunity in Canada. Every cultural community should be able to rely on governments for support in preserving its own heritage and in appreciating the heritage of other groups.

Fifth, it must support the regions of Canada. The new federation must have a central government which is strong in order to protect the economy, but we must avoid excessive centralization.

Sixth, it must foster the economic integration of the regions of Canada. We must make it possible for all Canadians to share the benefits of Canada more equally.

Seventh, it must establish the interdependence of federal and provincial governments. We must clarify the authority and role of each level of government, and ensure that the federal Parliament possesses real powers that apply to all parts of Canada, and that provincial legislatures have real powers within their territories.

And eighth, it must promote national solidarity and national unity. The new federation must strengthen solidarity between citizens and regions, and it must produce a Canada which all Canadians can support with loyalty and enthusiasm.

We have made remarkable progress with the constitution that was established 111 years ago. It has served us well, but now we need to look to a constitution that will express the new demands of Canadian unity. The new constitution must preserve Canada as a federation, and it must include a charter of basic rights and freedoms that will apply equally to both levels of government.

The time is right for finding that balance that Canadians want in order to enjoy full membership in this great country, while preserving the values we cherish in our particular communities. We have set the target for completing the matters in which Parliament has the competence to legislate on its own authority as July 1 next year. We have set the target for all the other matters where the co-operation of federal and provincial governments are required before July 1, 1981.

Your convention also comes at a time when we are completing a full-scale review of our national economy, industry by industry, and it coincides with the critical stage of the Multilateral Trade Negotiations in Geneva.

I am aware of your concern about employment prospects, about the unacceptably high levels of unemployment, and the inflation rates which continue at troublesome levels. These,

and other domestic economic problems -- economic growth, regional disparities, energy, medium-term strategy -- are not easy. They require constant attention and hard work on the part of all of us to resolve.

These are problems we share to a large degree with most of the industrial countries, and when you compare our record with that of some of these countries, we are doing pretty well. There are many who paint a dismal and gloomy picture of our economic prospects. The facts don't bear them out. Part of our problem is a defeatist attitude. Yes, we do have problems, but we're working our way out of them.

Look at the major economic indicators. First, real economic growth. Since 1973, the year of the energy crisis, only Canada has experienced growth in every year. The United States had two years of negative growth. Japan and Germany had one year negative, Great Britain three years. Between 1973 and 1977, our GNP grew in real terms by more than $12\frac{1}{2}$ per cent. This was exceeded only by Japan among the major trading nations.

Second, look at disposable income in relation to gross earnings. Between 1972 and 1976, Canada had a better record than any country. There was no growth at all in Germany. There was an absolute decline in the United States, France and Britain.

Third, take job creation. Since 1970 Canada has enjoyed a faster rate of employment growth than any of the major industrial countries. From 1973 to 1977 we were three percentage points above the U.S., and eight points ahead of Japan, in new job creation. And we are continuing to do a good job. There were 10,400,000 Canadians with jobs as of June -- 356,000 more than in June 1977.

I am not giving these figures in order to avoid the very serious problem of unemployment. I personally won't be content until every Canadian who wants a job, has a job. A unique factor of our situation is the rapid growth of our labour force. Between 1950 and 1976, which pretty well includes the post-war generation, Canada's labour force increased by 2.7 per cent annually. The U.S. average annual increase was less than half of ours, at 1.3 per cent. Japan was 1.4 per cent. In Europe, only Sweden had a rate in excess of one per cent. West Germany's labour force is smaller today than it was in 1970. The Canadian labour force rose by 2.7 million workers in this period.

When you put the situation in this context, it is very evident that Canada has been faced with a significant challenge in job creation, more than any other industrial country. We must continue with our programs to create new jobs for the thousands of young people and others who want one.

Fourth, inflation continues as a serious problem. Now that wage and price controls are being phased out, we must continue our efforts in every sector of the economy to guard against actions which will endanger our economic growth and jeopardize jobs.

Finally, look at our current trading situation. Our trading position has shown dramatic improvement. Three years ago, Canada had a merchandise trade deficit of more than \$500 million. Last year we had a surplus of \$3 billion. This year we could reach a surplus of \$4 billion. Much of this improvement is due to a lower exchange rate for the Canadian dollar. But much of it is due to the reduction in Canadian costs. Our unit labour costs are now increasing less rapidly than in the United States. Our productivity has improved. However, inflationary pressures constantly threaten our trading success. We are paying more for imported food, we are paying more for energy than a year ago. We would make a mistake if any of us thought we can protect ourselves for every increase in imported food and for every increase in energy.

You have been following the progress of the Multilateral Trade Negotiations at Geneva. I anticipate the potential for great benefits, in both exports and jobs, for Canada.

The United States, which buys 70 per cent of our exports, has taken a constructive approach in these negotiations. Its offer of tariff negotiations would open up expanded markets for our products. We are particularly interested in access for finished and semi-finished goods, and a greater degree of processing of our products in Canada.

Finally, I would like to conclude with a few remarks about what we are doing to improve labour relations and conditions of work in federal industries -- which include, of course, interprovincial trucking. Many of these initiatives were included in my 14-point program for improved labour affairs.

In the last session of Parliament, we enacted Bill C-8, an Act to Amend the Canada Labour Code. I believe that the amended code is one of the most progressive set of rules for conditions of work, job safety and labour-management relations of any jurisdiction in North America.

The amendments:

Extend the application of all provisions of Part III of the Code, with the exception of those dealing with hours of work, to managers and professionals, thus granting them for the first time such basic protections as paid vacations and paid holidays;

Forbid the employer to lay off or dismiss an employee solely on grounds of pregnancy. Previous provisions allowed an employer to discharge a pregnant employee with less than 12 months' seniority;

Grant bereavement leave in the event of the death of a member of the immediate family of an employee;

Protect the job of a worker who is absent for up to 12 weeks or the period he/she is undergoing treatment at the expense of a workers' compensation authority on account of illness;

Require employers to pay all wages due to their employees on a regular and timely basis;

Give an employee the right of appeal in the case of unjust dismissal, except at management levels;

Increase to nine the number of general holidays by adding Boxing Day to the current list of general holidays;

Entitle an employee after six consecutive years of employment with the same employer to three weeks of vacation with pay at not less than 6 per cent of gross earnings for that year and each subsequent year;

Facilitate the introduction of the compressed work week in situations where both the employer and 80 per cent of affected employees are in favour; and

Require courts to have employers make full payment of wages and other compensation owed, in cases where a court has ruled that an employer has failed to do so.

I think you will agree that good employers will have no difficulty with these amendments.

Other amendments included in Bill C-8 provide protection for the safety and health of workers in federal industries. These amendments:

Impose an obligation on the employer to notify the nearest police authority, and notify the employees, whenever a person threatens to endanger the health or safety of the employees;

Empower the Minister of Labour to authorize or require an employer to establish a health and safety committee. These committees would identify, and ensure the correction of, work hazards. Committee membership would consist of employer and employee representatives, at least half of whom would represent employees; and

Give workers the right to refuse to work in situations, or to operate equipment, which constitute imminent danger to the safety or health of himself/herself or fellow employees. The exercise of this right is subject to precise procedural regulations. Workers disciplined by their employer for

exercising their right to refuse such work may appeal to the Canada Labour Relations Board.

Other provisions of Bill C-8 amend the industrial relations structures governed by the Code. Amendments in this category:

Give the CLRB more discretion to order representation votes and related run-off votes;

Provide that where the CLRB is required to determine the wishes of the majority of the employees in an application for certification, that determination shall be made as of the date of application or such other date as the CLRB considers appropriate;

Restrict judicial review of CLRB rulings to Section 28(1) of the Federal Court Act;

Prohibit an employer from changing the terms of conditions of employment while an application for certification is pending and within 30 days after the trade union has been certified as bargaining agent;

Require a trade union that is bargaining agent for a group of employees to represent all members fairly and without discrimination;

Authorize the CLRB to settle the terms and conditions of the first collective agreement between the parties, on referral from the Minister;

Require trade unions to furnish members with financial statements; and

Remove administrative obstacles to certification of Councils of Trade Unions so as to facilitate the creation of wider-based bargaining units.

These are some of the provisions of Bill C-8, and most of them have now been proclaimed and are part of the Code. The remainder are to be proclaimed September 1.

Finally, I would like to turn to the on-going efforts which are being made to encourage greater labour-management co-operation.

You will recall that we established the Canada Labour Relations Council three years ago and it operated for about a year and a half. It included eight or nine of the most experienced labour leaders in the country and the same number of management people. Government was also part of it. Considering that it operated only a short time, it was a very successful consultative forum. We discussed a number of problem areas in labour-management relations and we reached a consensus on several of them.

We agreed, for example, that labour and management should have available to them comprehensive data on collective bargaining and the economy. There is a lot of information

available, but much of it is suspect on the grounds that it has a labour bias or a management bias. Or it is not helpful because it is incomplete or untimely. We decided that we would set up a collective bargaining information centre which could collate and distribute information without at the same time establishing another federal bureaucracy. It was to be run by a tripartite board independent of the government, and labour and management would hold the majority on the board.

We also developed a consensus around the concept of a Canadian centre for occupational health and safety. We agreed to do a survey of quality of working life experiments in Canadian industry. And we agreed to upgrade the arbitration process in federal industries.

All of this consensus-building was interrupted by the introduction of wage and price controls in October, 1975. The labour movement withdrew its representatives from the Council, and we suspended the operation. Now that the controls are being phased out, I think we are all getting ready to have another look at some new consultative mechanisms which will deal in a constructive way with some of these problem areas.

In the meantime, we have been able to make progress in getting the legal framework for some of these structures in place.

Earlier this year Parliament passed Bill C-35, an Act to Establish the Canadian Centre for Occupational Health and Safety. We have a planning secretariat at work and we are approaching the labour movement and the business community and asking them to nominate members to the board of directors. Initially we will have eleven labour directors, eleven management directors, ten from the provinces, two from the territories, four from the federal government, and the chairman. So labour and management jointly will hold the majority and they will run it. The Centre will work closely with a university research faculty in the health sciences, and its goal will be to develop standards of the calibre which have been established over the years by the National Research Council and the Canadian Standards Association. When you consider the terrible toll of lives and limbs and the destruction of healthy bodies in some of our industries, there can be no doubt that Canada must move forward as quickly as possible with the establishment and operation of this Centre. I would hope that the Teamsters Union would be in a position to participate in this kind of national structure.

We are proceeding with other proposals that were part of the 14-point program, proposals which require considerably more consultation with labour and management.

We are doing this initially through the medium of industrial commissions of inquiry.

There is the commission of inquiry into educational leave for workers. This is an emerging new program in several of the western countries. The International Labour Organization started working on the idea about 13 years ago, and passed a Convention in favour of it in 1974. Sweden has ratified the convention, West Germany has ratified it, so have France, Britain, Holland and four or five other countries. I want to find out what labour and management think of it, how the academic community might fit into it, how it would be paid for if we find it's a potentially useful program, and how educational leave could contribute to participation by union members in their union activities; to job skills and to productivity. The inquiry has three commissioners, one representing labour, one representing management, and an academic as chairman.

The second commission of inquiry is looking into the troublesome area of industrial lay-offs. Part of its mandate is to recommend proposals that could be helpful in avoiding lay-offs or otherwise softening the blow of economic recession to workers. Once again, it is a three-party commission, with a labour official, a management person, and a consultant who is a lawyer.

The third commission of inquiry is looking into the prospects of wider-based bargaining in federal industries. The railway companies and the railway unions have engaged in collective bargaining around one table for many years. While this approach to bargaining does not preclude work stoppages, it does limit the number of sequential interruptions. The inquiry will examine the prospects of extending this approach to other federal industries including the airline industry, the grain handling industry, and ports operations.

We are also making progress with consultative mechanisms in other economic areas. I would like to mention two of them.

First, there are the 23 industry task forces. These inquiry committees include both labour and management representatives. Reports coming back to me have expressed the appreciation of the task force members of the urgency of the meetings that are being held, and the earnestness of the government spokesmen who have urged business and labour to present strong recommendations which will form part of the input into future industrial policy-making.

From the government's point of view, what we are looking for in these task force meetings is a clear definition of the efforts that business and labour will make together to

improve industrial co-operation and industrial capacity -- in order to get our production up and our costs down, to improve management, to improve labour skills, and identify problems such as barriers to capital investment.

The Teamsters Union is participating in the labour education program established jointly by my Department and the labour movement. You are participating equally on a per capita basis with the Canadian Labour Congress and the other labour centrals. I am confident this program will assist the labour movement in taking its rightful place in consultation mechanisms that will be established, as well as improving the practice and procedures of collective bargaining.

I wish you all a productive convention.

INFORMATION

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE JOHN MUNRO P.C., M.P.

MINISTER OF LABOUR

TO THE

FOURTH TRIENNIAL CONVENTION

NATIONAL HEALTH AND WELFARE UNION

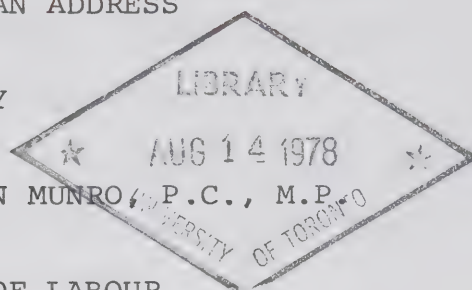
PUBLIC SERVICE ALLIANCE OF CANADA

HYATT REGENCY HOTEL

VANCOUVER B.C.

AUGUST 3, 1978

7:00 PM PDT



It is a pleasure for me to address members of the National Health and Welfare Union of the Public Service Alliance of Canada here in Vancouver. As a former Minister of Health and Welfare, I fully appreciate the important contribution all of you are making to Canada.

I may say that it is also something of a challenge to be here, since I am aware of the very well-defined opinions which Andy Stewart and other labour leaders have been airing on certain government initiatives.

I would like to talk about some of these initiatives today. First, however, a brief appraisal of the government and its environment would be in order.

Government budgets in Canada, in common with government budgets in many other nations, moved through a period of rapid growth in the 1960s and 1970s, as we all know. In our case, this growth resulted from the putting in place of comprehensive social programs such as medicare, the Canada Pension Plan, Old Age Security, and Family Allowances, and the general expansion of the country's infrastructure.

In future, new policy decisions and programs will have to be financed in an environment of restraint; overall, the government has to make improvements in its financial management -- in its efficiency, and in its effectiveness.

There is no denying the reality of public demand for restraint in government growth and government spending. The government, and its employees, are being scrutinized

closely by the public. As a member of government, I think that's the way it should be. Public money supports public services, and value-for-money is a wholly reasonable demand.

Canadians rightly expect to receive good value for their money. And wages and salaries do represent a substantial portion of the total cost of government. The government is taking its responsibility in ensuring that, in our post-controls period, the whole approach to public sector compensation is fair and equitable. It must, as states the government's recent discussion paper "Agenda for Co-operation," ensure that

- public sector compensation is fair, both to the employee and the taxpayer;
- public sector compensation is related in a reasonable and acceptable way to the private sector;
- the rights of public employees to determine the conditions of their employment, through collective bargaining, are duly protected.

I would stress this last assurance: that the government by no means -- and certainly not by Bill C-28 -- intended to deny the collective bargaining rights of workers in the public service. Let me reaffirm today the government's commitment to the collective bargaining process.

This is a commitment that I have voiced on many occasions, as have other of my Cabinet colleagues, including the Honourable Robert Andras, President of the Treasury Board. Collective bargaining will continue to play a dominant and meaningful role in determining terms and conditions of employment in the public service.

Bill 28 was the first set of proposals to amend the Public Service Staff Relations Act since the Act established collective bargaining rights more than 10 years ago. Amendments are overdue. Your union, and other components of the PSAC, the PSAC itself, and other unions in the federal public service, have proposed amendments on a number of occasions since 1967. In 1973 we called on Mr. Jake Finkelman, former chairman of the Public Service Staff Relations Board, to make a thorough review of the Act, and bring in a set of recommendations which would be based on our experience over seven or eight years. Mr. Finkelman brought in an exhaustive report, complete with recommendations. Finally, the Parliamentary Committee reviewed Mr. Finkelman's proposals and made their own report. As a government, we postponed doing anything to amend the Act when the anti-inflation program was established in 1975. Now that we are phasing out controls, we can look at the PSSRA and bring in some of the amendments that are needed.

Bill 28 died on the order paper when Parliament recessed. I understand you didn't shed any tears. When its successor is given first reading in the next session, I anticipate that it will incorporate some amendments that will respond to some of your concerns. In any event, your union will have every opportunity to appear before the appropriate standing committee of the House of Commons and make full representations on any proposals that are brought forward.

Certainly I cannot agree with those who claimed that the principles underlying Bill C-28 represented a denial of the bargaining rights of public service employees. Those rights will remain, within a framework which ensures that federal public service compensation is fair and equitable.

In other areas the government will continue to set the pace. The recent omnibus bill amending the Canada Labour Code sets a range of desirable new labour standards for employees within the federal jurisdiction. The basic objective

of this Bill is to generally improve the Canadian working environment, and to buttress the collective bargaining process by a series of changes to Part V of the Code. I would like to explain the Bill in a little more detail.

New parts of the Code that took effect on June 1 embodied provisions covering areas such as hours of work, paid vacations and the compressed work week. There is an increase in the number of statutory holidays from eight to nine; there are new bereavement leave provisions; pregnancy as a cause of dismissal has been eliminated; and an obligation upon employers to notify the nearest police authority whenever a person threatens to endanger the safety or health of employees.

Additional provisions:

- (a) require unions to furnish members with financial statements.
- (b) give the Canada Labour Relations Board more discretion to order representation votes and related run-off votes.
- (c) remove administrative obstacles to certification of Councils of Trade Unions, so as to facilitate the creation of broader-based bargaining units.

- (d) require that unions fairly represent members of the bargaining unit.
- (e) ensure fair and objective referral procedures by union hiring halls.
- (f) authorize the Canada Labour Relations Board to establish the terms of a first agreement, on referral from the Minister.

A provision dealing with the appointment of arbitrators came into effect on July 1; and on September 1 new provisions come into force dealing with sick leave, regular payment of wages, protection for workers against unjust dismissal, the right of workers to refuse to work under conditions of imminent danger and the creation of health and safety committees.

The health and safety of employees is, as you are well aware, an ever-present concern of the government. In this respect a timely development is the creation of a Canadian Centre for Occupational Health and Safety.

An Act authorizing this new institution was passed at the last Session of Parliament. Action is now being taken in consultation with many interested parties to get this Centre into operation within the next few months.

I think it is now generally accepted in Canada that workers have a right to healthy and safe workplaces. The purpose of the new Centre is to facilitate and promote the realization of that right. Canadians from all walks of life have been increasingly concerned about conditions and substances at work that may impair their personal health and safety. Trade unions, employer groups, safety associations and the professional and scientific communities as well as governments at all levels have become much more aware of the adverse effects of these hazards upon so many in our working population.

Up until now there has been no institution through which these various concerns might be considered together and which would encourage joint planning. This, and the sharing of technical and other information, can lead to more effective remedial actions.

There is also need to consider, from a broad perspective, what are the matters that require priority attention. There are so many areas that could be improved, but our resources, in trained personnel as well as money, are limited. This makes it all the more necessary that a concerted attack be made especially in the problem areas that are the most serious or affect the greatest number of workers.

This requires ongoing collaboration among the various professional organizations, with labour and management and with the provincial governments. With the number of jurisdictions, associations and other interested groups in Canada, and the abundance of laws and regulations, standards and so on, the matter of facilitating consultation and co-operation among the key parties is a primary task of the new Centre.

The assembling of information of a technical/scientific nature as well as statistical data so that all of this knowledge is available to any interested person, is also a fundamental role of the new Centre. Work in this area will not only serve the interests of the various authorities and concerned bodies in Canada but it will also enable our country for the first time to participate much more actively on the international scene in the provision and exchange of such information.

An integrated and authoritative information system should give the Canadian community the means by which a sustained attack can be made on the more than one million injuries and cases of illness that are suffered each year by Canadians at work. For humanitarian as well as compelling economic reasons our efforts to improve this situation must be intensified.

Legislation authorizing the creation of the Centre confers upon it authority to do several things but the only other matter that I will refer to today is the authority to support and initiate all manner of research activities. We are deficient in our knowledge of many kinds of occupational hazards, particularly with respect to those that may have adverse health effects. Better insights into the nature of these substances and their uses can lead to effective control of them.

All these activities will, of course, combine to produce a public that is better informed on the nature and consequences of occupational hazards. This in turn will enable employees to participate more actively and responsibly with their employers in maintaining more satisfactory, and incidentally, more efficient workplaces.

This new institution will not be part of the federal public service but will be an autonomous agency governed by a council composed of representatives of the provinces and territories, from labour, from management and with a small group from the federal government. It is this council that will determine the policies and programs of the Centre and guide its operations so that it can be a truly effective instrument.

At the present time we are obtaining nominations of persons who will comprise this council and I hope that by this autumn the council may be in place and its first meeting can be convened. A planning secretariat has been doing a lot of preliminary work with a view to getting the Centre underway with the least possible delay.

Before leaving this subject I want to say that there has been splendid co-operation from many departments of government and especially from the Department of National Health and Welfare. Dr. F.H. Hicks was seconded by that department to work with the planning secretariat, and has made a distinctive contribution to the advancement of this project.

In another area of safety and health I should also mention the respiratory dysfunctions among grain handlers. This study -- involving my Department, the Gage Research Institute and the Saskatchewan Wheat Pool -- is being conducted in Thunder Bay. The objective is to determine whether there is a higher frequency of respiratory dysfunction in grain handlers from Thunder Bay compared with a control group of civic outside workers from the same community.

There are approximately 30,000 workers in Canada involved in handling grain after it leaves the farm, and an estimated 200,000 who are exposed to dust in the course of farming. These workers are the backbone of an industry which is of central importance to Canadians in many domestic activities, in earning foreign exchange and in helping to maintain food supplies in many countries of the world.

It is hoped that the study will forward recommendations that will enhance the general health and safety of grain handlers and at the same time improve their general work environment.

Labour Canada's dictum here is that the health of workers is one item that's not negotiable; every Canadian worker has the right to a job that imperils neither health nor safety.

This convention coincides with the decision of the federal government to renew the Canadian federation, to reaffirm the Canadian identity.

We have made remarkable progress with the constitution that was established 111 years ago. It has served us well, but now we need to look to a constitution that will express the new demands of Canadian unity. The new constitution must

preserve Canada as a federation, and it must include a charter of basic rights and freedoms that will apply equally to both levels of government.

First, the renewal of the federation must confirm the pre-eminence of citizens over institutions. We must guarantee the rights and freedoms of individual Canadians and ensure that these rights and freedoms are inalienable. I think you will agree with me that Canadians enjoy greater freedoms than possibly any other nation. We cannot take those freedoms for granted.

Second, the renewal must respect the legitimate rights of native peoples. We must respect the rightful place of native peoples in the Canadian mosaic as the first inhabitants of Canada, and give them the means of enjoying full equality of opportunity.

Third, the renewal must guarantee the linguistic equality of the two founding nations. The present federation is based on the linguistic equality of the English-speaking and the French-speaking communities, and the new federation we want to build must be based on the same guarantee. We must strengthen our institutions, and create new ones where necessary, to help each linguistic group to prosper.

Fourth, the renewal of the federation must reinforce the respect for cultural diversity. We must continue to recognize the right of every citizen, regardless of ethnic origin, to equal opportunity in Canada. Every cultural community should be able to rely on governments for support in preserving its own heritage and in appreciating the heritage of other groups.

Fifth, it must support the regions of Canada. The new federation must have a central government which is strong in order to protect the economy, but we must avoid excessive centralization.

Sixth, it must foster the economic integration of the regions of Canada. We must make it possible for all Canadians to share the benefits of Canada more equally.

Seventh, it must establish the interdependence of federal and provincial governments. We must clarify the authority and role of each level of government, and ensure that the federal Parliament possesses real powers that apply to all parts of Canada, and that provincial legislatures have real powers within their territories.

And eighth, it must promote national solidarity and national unity. The new federation must strengthen solidarity between citizens and regions, and it must produce a Canada which all Canadians can support with loyalty and enthusiasm.

The time is right for finding that balance that Canadians want in order to enjoy full membership in this great country, while preserving the values we cherish in our particular communities.

May I wish you all success with your deliberations here today.

